

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Inter Partes Reexamination of:)	
)	
United States Patent No. 6,324,120)	Control No.: 95/000,178
)	
Issued: November 27, 2001)	Group Art Unit: 3992
)	
For: Memory Device Having a Variable Data)	Examiner: Ovidio Escalante
Output Length)	

Mail Stop *Inter Partes* Reexam
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

**RENEWED PETITION TO VACATE THE FILING DATE AND
ORDER GRANTING INTER PARTES REEXAMINATION, OR,
ALTERNATIVELY, TO SUSPEND THE PROCEEDING**

Rambus Inc., the owner of U.S. Patent No. 6,324,120 ("the '120 patent"), requests a decision on its petition dated May 15, 2007 (attached as Exhibit A), and the petition dated June 14, 2007 (attached as Exhibit B), filed by reexamination requestor, Samsung Electronics Co., Ltd. ("Samsung"). Those petitions were held in abeyance by the Office in an August 14, 2007 decision (attached as Exhibit C), but they are now ripe for consideration.

Specifically, on September 15, 2006, Samsung filed a Request for Inter Partes Reexamination, seeking reexamination of the '120 patent. That request was assigned a filing date of October 6, 2006, and was accorded control no. 95/000,178. On December 26, 2006, the Office issued an order, granting Samsung's request.

On May 15, 2007, Rambus filed in the '178 proceeding (and in three other reexaminations initiated by Samsung, i.e., control nos. 95/000,166, 95/000,183, and 95/000,250)

a Petition to Vacate the Filing Dates and Orders Granting Inter Partes Reexamination Or, Alternatively, to Suspend the Proceedings. Rambus based its petition on Samsung's failure to properly identify the real parties in interest as required under 35 U.S.C. § 311b)(1) and 37 C.F.R. §§ 1.915(b)(8) and 1.919(a), and Samsung's purposeful and strategically motivated delay in pursuing the above-identified reexaminations, as well as other reexaminations that Samsung has stated it intends to file.¹ Alternatively, Rambus requested that the Office suspend the proceedings for good cause.

Samsung opposed Rambus's petition on June 14, 2007, filing a petition of its own, entitled "Third-Party Requester's Petition and Opposition to Petition to Vacate The Filing Dates and Order Granting Inter Partes Reexamination or, Alternatively, to Suspend the Proceedings."

Subsequently, on August 14, 2007, the Office issued a decision, vacating the filing date of the '178 reexamination proceeding and setting a time period for Samsung to file a response to that decision. In that decision, the Office also noted that "[i]n view of the present vacatur of the filing date for the present proceeding, the May 15, 2007 patent owner petition and June 14, 2007 requester opposition petition papers *are not ripe for consideration*, and are held in abeyance." (Exhibit C at 7, emphasis in original.) At the same time, however, the Office noted that, if Samsung "timely files a response to the present decision, and the request papers are thereafter determined to be entitled to a new filing date, parties may call up the matter for decision." (*Id.*)

In response to the August 14, 2007, decision, Samsung filed a "Redacted Version" of its reexamination request. That request appears to have been accorded a filing date of August 22,

¹ Indeed, Samsung recently filed requests for reexamination of two other Rambus patents that stem from the same application as the patents in the above-mentioned proceedings. See Reexamination Control Nos. 95/001,008 and 95/001,013.

2007, as indicated by the order mailed on October 19, 2007, which granted Samsung's reexamination request.² Accordingly, in view of the Office's August 14, 2007, decision, Rambus submits that the petitions held in abeyance are now ripe for consideration and requests that the Office consider and issue a decision on those petitions. Specifically, for the reasons stated in its petition, Rambus requests that the filing date and the order granting reexamination in the '178 proceeding be vacated, or alternatively, that the Director suspend the '178 proceeding.

To the extent that entry and consideration of this paper requires suspension of the rules, suspension is requested pursuant to 37 C.F.R. § 1.183. In addition, if there is any fee due in connection with the filing of this paper, please charge the fee to Deposit Account 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

Dated: October 29, 2007

By: 

Naveen Modi
Reg. No. 46,224

² Rambus notes that it did not previously renew its petition because it did not know that a new filing date had been assigned to the '178 proceeding. Indeed, the Office never issued a notice indicating that a new filing date had been assigned to Samsung's redacted request, and the Office's Patent Application Information Retrieval system does not show that the filing date of August 22, 2007, has been assigned to the '178 proceeding. It was only after Rambus received the October 19, 2007, order granting reexamination that it realized that the Office had assigned the '178 proceeding a new filing date.

EXHIBIT A

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Inter Partes Reexaminations of:)	
)	
United States Patent No. 6,426,916;)	Control Number: 95/000,166
)	
United States Patent No. 6,324,120;)	Control Number: 95/000,178
)	
United States Patent No. 6,182,184;)	Control Number: 95/000,183
)	
United States Patent No. 6,452,863.)	Control Number: 95/000,250
)	
)	Group Art Unit: 3992
)	Examiner: Charles R. Craver

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PETITION TO VACATE THE FILING DATES AND ORDERS
GRANTING INTER PARTES REEXAMINATION OR,
ALTERNATIVELY, TO SUSPEND THE PROCEEDINGS

Pursuant to 37 C.F.R. §§ 1.181, 1.182, 1.183, 1.915, 1.919, and 35 U.S.C. § 311, Rambus Inc., the owner of U.S. Patent Nos. 6,426,916; 6,324,120; 6,182,184; and 6,452,863, requests that the Director vacate the filing dates and/or orders granting reexamination in the four above-identified reexaminations. Alternatively, pursuant to 37 C.F.R. §§ 1.182, 1.183, and 1.987, and 35 U.S.C. § 314(c), Rambus requests that the Director suspend the reexaminations for good cause,¹ pending the conclusion of concurrent litigation involving Rambus and, among others, the

¹ No decision on Samsung's request for reexamination has been issued in control no. 95/000,250. Because the Office has stated that the statutory requirement that it render a decision on a request for *inter partes* reexamination within three months of the filing date cannot be waived, *see* Decision Denying Petition (July 19, 2006) in reexamination control no. 95/000,120, (hereinafter called the "Calloway Golf proceeding"), Rambus does not seek to suspend the '250 proceeding at this time. Rambus reserves the right to seek suspension of that proceeding should the Office order reexamination.

reexamination requester, Samsung Electronics Co., Ltd. (hereinafter "Samsung" or "Requester"). The Office has ordered reexamination in control nos. 95/000,166, 95/000,178, and 95/000,183, but has not issued an Office Action in any of those proceedings. The Office has not yet rendered a decision on the request for reexamination in control no. 95/000,250. To the extent that entry and consideration of this petition requires suspension of the rules, such as 37 C.F.R. § 1.939, suspension is requested pursuant to 37 C.F.R. § 1.183.

Rambus bases this petition, which is being filed in each of the above-identified proceedings, on Samsung's failure to identify the real parties in interest as required under 35 U.S.C. § 311(b)(1) and 37 C.F.R. §§ 1.915(b)(8) and 1.919(a), and Samsung's purposeful and strategically motivated delay in pursuing these reexaminations, as well as other reexaminations that Samsung has stated it intends to file. By failing to identify as real parties in interest other members of a joint defense group, who are co-defendants in on-going litigation, and by serially filing delayed reexamination requests, Samsung contravenes the protections provided to patent owner Rambus in the *inter partes* reexamination statute. The requirement that the requester identify the real party in interest was intended to "prevent harassment" of the patent owner. *See, e.g.,* Intellectual Property and Communications Omnibus Reform Act of 1999, H.R. Conf. Rep. 106-464, 1999 WL 1095089, *133. By hiding the identity of those entities working in concert with Samsung in their joint defense against Rambus's patents, Rambus is potentially subject to multiple requests for *inter partes* reexamination contrary to 35 U.S.C. § 317(a) and 37 C.F.R. § 1.907(a). Samsung and other parties in interest are also able to evade the estoppel restrictions of 35 U.S.C. §§ 315(c) and 317(b) and 37 C.F.R. § 1.907 by having Samsung take the lead on these *inter partes* reexamination requests while other members of the joint defense group pursue the same invalidity claims in on-going district court litigation with Rambus.

In addition, by serially filing requests for *inter partes* reexamination of patents in the same patent family based on substantially the same alleged prior art and the same arguments, Samsung flouts the statutory prohibitions against filing more than one request for *inter partes* reexamination on any patent and filing more than one response to an Office Action. 35 U.S.C. §§ 317(a), 314(b); *see also* 37 C.F.R. §§ 1.907(a), 1.947. Samsung has been quite explicit in its intentions, recently representing to the District Court for the Northern District of California that it intends to file reexamination requests on at least fifteen other patents that are related to the patents at issue here “upon evaluation of the office actions when issued” in the pending reexaminations. *See* Joint Case Management Conference Statement, attached as Exhibit 1, at 7. Samsung’s stated intention of using additional reexaminations to respond to issues arising in earlier-filed proceedings not only essentially grants Samsung additional responses to Office Actions but also intentionally and unfairly prolongs the reexamination process. Entry and consideration of this Petition is requested to require Samsung, and the other interested parties working with Samsung, to follow the statutory rules of *inter partes* reexamination, avoid wasting Office resources, and prevent prejudice to and harassment of the patent owner Rambus.

I. Factual Background

The patents at issue in these reexaminations—U.S. Patent No. 6,426,916 (the ‘916 patent), U.S. Patent No. 6,324,120 (the ‘120 patent), U.S. Patent No. 6,182,184 (the ‘184 patent), and U.S. Patent No. 6,452,863 (the ‘863 patent)—are related, all stemming from application no. 07/510,898, and are currently involved in litigations against Samsung and other parties. Specifically, the ‘916, ‘120, and ‘863 patents are currently at issue in *Hynix Semiconductor, Inc., Hynix Semiconductor America Inc., Hynix Semiconductor U.K. Ltd., Hynix Semiconductor Deutschland GmbH. v. Rambus Inc.*, No. CV 00-20905 RMW (N.D. Cal. 2000), filed on August 29, 2000 (hereinafter “the Hynix litigation”), *Micron Technology v. Rambus Inc.*, No. CV 00-792

KAJ (Del. 2000), filed on August 28, 2000 (hereinafter “the Micron litigation”), and *Rambus Inc. v. Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., Samsung Semiconductor Inc., Samsung Austin Semiconductor, L.P.*, No. 05-02298 RMW (N.D. Cal. 2005) filed on June 6, 2005² (hereinafter “the Samsung litigation”).

In the Hynix litigation, a jury trial on the patent issues was held well over a year ago—in March and April 2006. The jury found the '916, '120, and '863 patents, as well as other related patents, to be infringed and not invalid. See Special Verdict Form, attached as Exhibit 2. There, Hynix had relied on the same primary references and raised the same written description arguments as Samsung does in these proceedings. The Micron litigation has been pending for almost seven years, and the parties have engaged in substantial discovery and trial preparation. By the end of 2001, the parties had taken over 500 hours of depositions and produced hundreds of thousands of documents, and were prepared to go to trial.³ Since then additional patents have been added to the case and a more recent trial date was vacated because the District Court Judge presiding over the case was elevated to the Court of Appeals for the Third Circuit. Nonetheless, the Micron litigation is substantially farther advanced than these reexamination proceedings. The Samsung litigation has been pending for close to two years, and the parties have exchanged invalidity and infringement contentions, including prior art invalidity positions such as those at issue in these proceedings.

² Samsung misidentifies the year of this case as 2006 rather than 2005 in its requests for reexamination. See Request in the '166 proceeding at 1, Request in the '178 proceeding at 1, Request in the '183 proceeding at 1, and Request in the '250 proceeding at 1.

³ The Micron litigation did not proceed to trial at this time because the parties were awaiting the Federal Circuit's decision *Rambus Inc. v. Infineon Techs. AG*, 318 F.3d 1081 (Fed. Cir. 2003), involving patents related to those at issue here. In that case, the Federal Circuit reversed aspects of the district court's claim construction and vacated the district court's judgment of no infringement. 318 F.3d at 1088-95.

The '184 patent is currently at issue in *Rambus Inc. v. Hynix Semiconductor Inc.*, *Hynix Semiconductor Manufacturing America Inc.*, *Nanya Technology Corp.*, *Nanya Technology Corp. U.S.A.*, *Samsung Austin Semiconductor, L.P.*, *Samsung Electronics America, Inc.*, *Samsung Electronics Co., Ltd.*, *Samsung Semiconductor, Inc.*, No. 05-00334 RMW (N.D. Cal. 2005) (hereinafter "the Hynix/Nanya/Samsung litigation"),⁴ and *Rambus Inc. v. Micron Technology, Inc.*, *Micron Semiconductor Products, Inc.*, No. 06-00244 RMW (N.D. Cal. 2006) (hereinafter "the Micron II litigation").⁵ The Hynix/Nanya/Samsung litigation, filed in January 2005 against Hynix and Nanya and June 2005 against Samsung, has been pending for well over two years, and the Micron II litigation, filed in January 2006, has been pending for well over a year.

Samsung and Micron are represented by the same law firm, Weil Gotshal & Manges LLP, in its litigations with Rambus. Samsung has also been involved in a joint defense group with the Micron and Hynix co-defendants for nearly eight years. One stated purpose of this group is to jointly defend against the Rambus patents. Specifically, in December 1999, Samsung, Micron, Hynix, Infineon, NEC (now Elpida), and Intel formed the Advanced DRAM Technology consortium (ADT) to develop future DRAM technologies and assess and minimize intellectual property related risks. See Order Granting in Part and Denying in Part Rambus's Motion to Compel Production of Documents filed on Sept. 6, 2005 in the Hynix litigation, attached as Exhibit 3, at 3. As stated by "an ADT board member, 'one aspect of the mission of ADT was to design a memory that was free of third party IP, and particularly Rambus IP.'" *Id.* The ADT members executed a Joint Representation/Common Interest Agreement (hereinafter "the ADT Agreement") in March and April 2000. *Id.* "The members of ADT jointly retained

⁴ The '916, '120, and '863 patents are also at issue against Nanya in this case.

⁵ The '916, '120, and '863 patents were also at issue in the Micron II litigation, but are no longer in that case.

the Sughrue [law] firm to evaluate the activities of ADT in light of existing Rambus patents, i.e., in anticipation of possible litigation with Rambus.” See Order Re *In Camera* Review of Documents Submitted Pursuant to October 19, 2004 Order filed on Feb. 16, 2005 in the Hynix litigation, attached as Exhibit 4, at 4. The ADT Agreement states that the ADT members “have a common interest in assessing the validity and enforceability of claims of certain U.S. patents purportedly owned by Rambus” and that the members agreed that the Sughrue firm “would conduct a validity and enforceability analysis of certain Rambus patents identified by the Parties.” *Id.* at 5.

Since forming the ADT joint defense group, the members have claimed in different forums that communications and documents concerning the Rambus patents at issue here and other patents in the Rambus patent family are protected from disclosure by the joint defense privilege and work product doctrine. For instance, in 2002, in a matter before the Federal Trade Commission, Samsung, Hynix, Infineon, Micron, and Intel jointly opposed a Rambus motion to compel Samsung Electronics America, Inc., to produce certain documents, alleging a joint defense privilege. These ADT members argued that, “[w]ith regard to legal issues of common interest, the member companies either hired an independent outside counsel or addressed such issues through the *coordinated efforts* of the members’ in-house legal staffs.” See Samsung et al.’s Opposition to Motion to Compel filed, attached as Exhibit 5, at 4 (emphasis added). The ADT joint defense members also claimed that “the member companies regularly analyzed and resolved legal issues of common interest to the ADT members through cooperative efforts of the members’ internal legal departments.” *Id.* Similarly, in 2004 and 2005 in the Hynix litigation, Hynix asserted that certain communications between it and third parties, including Samsung and

Micron, were protected from disclosure “on the grounds of the work product doctrine and the joint defense privilege.” Ex. 4, Order Re *In Camera* Review of Documents, at 19.

Samsung also recently asked the District Court for the Northern District of California to stay the litigations pending before it based on these reexamination proceedings. See Ex. 1, Joint Case Management Conference Statement, at 6-7. Micron and Nanya joined Samsung in its request. *Id.* at 5, 6.

Despite having been a member of the ADT joint defense group since 1999 and having been a named party in litigation with Rambus since June 2005, Samsung waited until August 8, 2006—after the jury in the Hynix litigation found that the claims of the '916, '120, and '863 patents were infringed and *not invalid*—to file its first request for reexamination. Since then, Samsung has sporadically filed three additional requests for *inter partes* reexamination, with the latest filed on April 4, 2007, almost eight months after the first request. Given that Samsung relies on substantially the same references and raises substantially the same issues in each of its reexamination requests, its delay can only have been by design. Moreover, Samsung has also said that it “intends to file re-examinations on the remainder of the '898 patents upon evaluation of the office actions when issued” in the pending proceedings. Ex. 1, Joint Case Management Conference Statement, at 7. Even if Samsung only files requests on the remaining patents in the Samsung litigation and the Hynix/Nanya/Samsung litigation from the '898 patent family, that would be another fifteen requests for reexamination.

II. The Filing Dates and/or Orders Granting Reexamination Should Be Vacated Because the Requester Failed to Identify the Real Party in Interest

A. Identification of the Real Party in Interest Is Required to Obtain a Filing Date

According to 35 U.S.C. § 311(b), a request for *inter partes* reexamination must “include the identity of the real party in interest.” This statutory requirement was included “[t]o prevent

harassment” of the patent owner. *See, e.g.,* Intellectual Property and Communications Omnibus Reform Act of 1999, H.R. Conf. Rep. 106-464, 1999 WL 1095089, *133 (stating that, “[t]o prevent harassment, anyone who requests inter partes reexamination must identify the real party in interest”). Indeed, the real parties in interest and their privies are prohibited from filing “a subsequent request for inter partes reexamination of the patent until an inter partes reexamination certificate is issued.” 35 U.S.C. § 317(b). Likewise, once a final decision is rendered in a civil action or an *inter partes* reexamination, the real parties in interest and their privies are precluded from requesting an *inter partes* reexamination “on the basis of issues which that real party or its privies raised or could have raised in such civil action or inter partes reexamination.” *Id.*

Consistent with these statutory requirements, 37 C.F.R. § 1.915(b)(8) requires that a request for *inter partes* reexamination include a “statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy.” Moreover, the “filing date of a request for *inter partes* reexamination is the date on which the request satisfies all the requirements for the request set forth in § 1.915.” 37 C.F.R. § 1.919(a). Thus, to obtain a filing date the request must identify the real party in interest so that privies can be identified.

The identification of the real party in interest is important to the statutory *inter partes* reexamination process for a number of reasons. As discussed above, the real parties in interest and their privies are precluded from filing subsequent requests for *inter partes* reexamination. This prohibition was included “to guard against harassment of a patent holder.” *See, e.g.,* Intellectual Property and Communications Omnibus Reform Act of 1999, H.R. Conf. Rep. 106-464, 1999 WL 1095089, *135. And if the real party in interest requirement is not enforced, the Office will not be able to determine if a subsequent requester is prohibited from seeking

reexamination, subjecting the patent owner to and burdening the Office with improper requests for reexamination.

Similarly, the real party in interest requirement is necessary to determine who is subject to the estoppel provisions of 35 U.S.C. §§ 317(b) and 315(c). The litigations involving the patents underlying these proceedings have been ongoing for many years. The real party in interest must be identified so that the Office can determine what issues the requester may be estopped from raising in these proceedings based on those litigations and so that the district courts can determine what issues the real parties in interest are estopped from raising there as a result of their participation in these proceedings.

Although the statute does not expressly define “real party in interest,”⁶ the purposes behind the real party in interest requirement—preventing multiple *inter partes* reexaminations and applying collateral estoppel—shows that it is meant to include entities working with the reexamination requester and entities having a legal relation with the requester. It would be unfair to the patent owner to allow such entities to pursue additional requests for *inter partes* reexamination or to allow them to pursue defenses that Samsung itself may be estopped from raising. And any other interpretation would essentially vitiate the real party in interest requirement and remove one of the distinctions between *ex parte* and *inter partes* reexaminations. In an *ex parte* reexamination, the real parties in interest need not be identified—they can hide behind the counsel filing the reexamination. If the real party in interest requirement is not enforced in *inter partes* reexaminations, however, real parties in interest will

⁶ Courts frequently bind entities pursuing a common interest to the outcome in a patent proceeding or a litigation. See, e.g., *Coakwell v. United States*, 292 F.2d 918, 920-21 (Ct. Cl. 1961); *Montana v. United States*, 440 U.S. 147, 154 (1979) (stating that one “who assists in the prosecution of a defense of an action in aid of some interests of his own . . . is as much bound . . . as he would be if he had been a party to the record”).

be allowed to hide behind a token requester thereby circumventing one of the primary distinctions between *ex parte* and *inter partes* reexaminations. As a result, all real parties in interest must be identified.

B. Samsung Failed to Identify the Other Real Parties in Interest in Its Reexamination Requests

Samsung made no real attempt to identify the real parties in interest in these proceedings. Each request for reexamination identifies only Samsung Electronics Co., Ltd. as the real party in interest. Samsung did not even identify the other Samsung entities that are currently engaged in litigation with Rambus on the very patents at issue in these proceedings. Samsung Electronics America, Inc., Samsung Semiconductor Inc., and Samsung Austin Semiconductor are all named parties in the Samsung litigation and the Hynix/Nanya/Samsung litigation. There can be no real dispute that these entities are also real parties in interest.

Samsung likewise failed to identify as real parties in interest any of the members of its ADT joint defense group or any of its litigation co-defendants. By the ADT members' own admission, the group, which includes Samsung, Micron, and Hynix, has used "coordinated efforts" to defend against the Rambus patents. *See* Ex. 5, ADT's Opposition to Motion to Compel, at 4. Moreover, the ADT members have repeatedly claimed to have a common interest in protecting communications and work product from disclosure based on joint defense privilege. Having admitted collaboration and having used an alleged joint defense as a shield, these entities should not be able disregard their joint defense in complying with the statutory requirement of identifying real parties in interest in these *inter partes* reexaminations.

Moreover, the fact that both Samsung and Micron are (and have been) represented by the same counsel, Weil, Gotshal & Manges LLP, in the Rambus litigations, only reinforces what these parties themselves have argued—that they are working together in furtherance of a joint

defense. By the very nature of such joint representation, when Samsung's counsel is developing invalidity strategies, such as through pursuing these *inter partes* reexaminations, it is necessarily assisting its other client, Micron, who has the same interest in pursuing such invalidity strategies. Not surprisingly, when Samsung served its invalidity contentions in the Samsung litigation in May 2006, it raised many of the same invalidity positions that Micron had raised years earlier in the Micron litigation. Thus, there is more than the mere possibility that, even if Samsung itself is precluded from raising in litigation the validity issues it raised or could have raised in these proceedings, it can do so through Micron if Micron is not identified as a real party in interest, which clearly it is. And the protections to the patent owner Rambus provided by the *inter partes* reexamination statute will be undermined by allowing one member of the joint defense group to pursue certain invalidity defenses before the PTO while other members pursue those and other defenses in district courts.

Further, the fact that Samsung and Micron, as well as defendant Nanya, all requested that the District Court for the Northern District of California stay the proceeding based on these reexaminations, shows that Samsung is not the only entity seeking to take advantage of these proceedings. Given that these entities are all interested parties, none of them should be allowed to avoid the estoppel effect accompanies these proceedings.

Because Samsung failed to properly identify all of the real parties in interest, no filing date should have been granted in these reexamination proceedings. As a result, the orders granting reexamination and their filing dates should be vacated. At a minimum, no further proceedings should take place until the real parties in interest are properly identified. Accordingly, the Office should order Samsung to show cause why the filing dates should not be vacated, including identifying all parties that participated in or were consulted in preparing the

reexamination requests, all the parties who reviewed or commented on the requests, and all the parties who were informed of the requests. Alternatively, Rambus requests that the Office suspend control nos. 95/000,166, 95/000,178, and 95/000,183, because the district courts through use of their subpoena powers have authority to require the other members of the joint defense group to address whether and how they have been involved with Samsung in pursuing these reexaminations and whether the estoppel provisions should apply.

III. The '166, '178, and '183 Proceedings Should Be Suspended for Good Cause

The Office is authorized under 35 U.S.C. § 314(c) to suspend an *inter partes* reexamination for "good cause," as the Office itself acknowledged in the Immersion-Sony proceeding.⁷ And according to 37 C.F.R. § 1.987, "[i]f a patent in the process of *inter partes* reexamination is or becomes involved in litigation, the Director shall determine whether or not to suspend the *inter partes* reexamination proceeding." Consistent with this rule, the Office has recognized "that a concurrent litigation may, in certain circumstances, establish 'good cause' to suspend an *inter partes* reexamination proceeding." Immersion-Sony proceeding, Nov. 17, 2005 Decision at 5.

The Office has provided two examples of good cause: (1) "where there is an issue that cannot be decided in the reexamination proceeding but affects the resolution of the proceeding"; and (2) "where there is an issue common to the litigation and the reexamination that can best be decided in court due to the availability in court of discovery and subpoena power (e.g., an issue heavily dependent on presentation of conflicting/contested evidence by the two parties." MPEP § 2686.04(III). At the same time, the Office has recognized that "good cause" is not limited to these examples. Immersion-Sony proceeding, Nov. 17, 2005 Decision at 6 n.6.

⁷ "Immersion-Sony proceeding" refers to *inter partes* reexamination control nos. 95/000,093 and 95/000,094.

Here, all of the patents in these reexaminations are involved in multiple litigations involving numerous defendants, only one of which has been identified as the real party in interest. The invalidity arguments raised in these requests were already rejected by a jury with respect to the '916, '120, and '863 patents in the Hynix litigation, which could potentially estop Samsung from raising those issues here. Further, Samsung and Micron are pursuing the same issues raised here, as well as other defenses that could have been raised here, in district courts. In addition, there are issues being decided in the district courts that will affect these proceedings. These factors, along with Samsung's delay and gaming of the *inter partes* reexamination system and its lack of candor in identifying the real parties in interest, strongly support suspending these reexaminations.

A. Suspension Is Warranted Because Resolution of Issues in the Litigations Will Affect These Proceedings

The Office's examples of good cause are present here. For instance, Samsung and other interested parties are pursuing issues, namely invalidity under 35 U.S.C. § 112 for lack of written description, that cannot be decided in these proceedings. *See* MPEP § 2616. The resolution of the written description issue will affect these proceedings. In particular, Samsung asserts in each of its requests for reexamination that the claims are not entitled to priority to the original parent application because numerous limitations are allegedly not supported by the original disclosure. At the same time, the parties in the Rambus litigations are asserting that claims containing these limitations are invalid for lack of written description. In fact, the jury in the Hynix litigation found that the '916, '120, and '183 patents were not invalid for lack of written description based on these same limitations. *See* Ex. 2, Special Verdict Form at 3. Those findings and the appeal of those findings, as well as any decision on the written description issues in the other litigations, will affect the priority issue raised by Samsung in these proceedings.

Similarly, these proceedings contain an issue which the district courts can resolve more readily through the use of discovery and their subpoena powers. As discussed above, the district courts, by virtue of having members of the ADT joint defense group before them and through the use of their subpoena powers, can require other members of the joint defense group to address whether and how they have been involved in pursuing these reexamination proceedings. This information is necessary for determining whether these proceedings can go forward and whether any of the unidentified parties can pursue their own requests for reexamination.

B. Samsung's Intentional Delay and Gaming of the Reexamination System Supports Suspension

Suspension of these proceedings is also warranted to lessen the administrative burden on the Office as a result of Samsung's deliberate strategy of filing serially delayed requests for reexamination and to prevent Rambus from being subject to intentionally prolonged reexamination proceedings. The Office has indicated that its burden and the requester's delay in seeking reexamination are relevant factors in deciding whether to suspend a proceeding. See *Immersion-Sony* proceeding, Nov. 17, 2005 Decision at 7-8; *Sony Computer Entertainment America Inc. v. Dudas*, 2006 WL 1472462, *6-7 (E.D. Va.).

Samsung chose to wait over a year after Rambus filed the Samsung litigation before it filed its first request for reexamination. In fact, Samsung waited to file its first request for reexamination until after a jury found in the Hynix litigation that the patent claims are not invalid. Thereafter, Samsung filed three more requests for *inter partes* reexamination. And even though each additional request was essentially the same as the prior request, Samsung delayed up to eight months in filing them. More significantly, Samsung has expressly stated that it is intentionally delaying, for strategic reasons, filing at least another fifteen requests for reexamination. Samsung is delaying in order evaluate the Office Actions issued in the current

proceedings. *See* Ex. 1, Joint Case Management Conference Statement, at 7. Having tactically chosen a course designed to delay and prolong the reexamination proceedings, Samsung has no basis to complain of any additional delay due to suspension.

Samsung's decision to serially file requests for reexamination also drastically increases the burden on the Office. Rather than considering all of the requests in a patent family at once, the Office will be forced to serially respond to subsequent requests that are designed to be responses to Office Actions issued in earlier-filed reexaminations. This strategy, although reportedly used in *ex parte* reexamination proceedings to allow "the requester to be more involved in the entire reexamination statute, because each newly filed reexamination serves as a vehicle by which the requester can attempt to address problems in a prior reexamination," *see* McCombs, David L. et al., *The New Role of Reexamination in Patent Litigation*, presented at 2006 Advanced Patent Law Institute, attached as Exhibit 6, at 31, is contrary to the *inter partes* reexamination scheme. The requester is statutorily limited to filing only one request for *inter partes* reexamination of a patent and one response to an Office Action. 35 U.S.C. §§ 317(a), 314(b). By filing intentionally delayed requests for reexamination, Samsung is, by its own admission, attempting to circumvent these restrictions. This should not be permitted.

C. Other Factors Support Suspension

Other factors considered by the Office when evaluating petitions to suspend filed in the Immersion-Sony proceeding and in the Calloway Golf proceeding, do not weigh against suspending these proceedings filed by Samsung. For instance, in the Immersion-Sony and Calloway Golf proceedings, the Office considered the relative stages of the litigations and the *inter partes* reexamination proceedings. Here, the reexamination proceedings are at an early stage. No Office Action has yet been issued in any of the proceedings. In contrast, the litigations involving these patents are far advanced, and the very issues raised in the

reexamination requests have been resolved by a jury in Rambus's favor in the Hynix litigation. Although Samsung will undoubtedly argue that the Samsung litigation and the Hynix/Nanya/Samsung litigation are in the early stages, litigations involving members of its joint defense group, Hynix and Micron, have been pending for seven years and have progressed quite far. It also would not be fair to say that the Samsung litigation and Hynix/Nanya/Samsung litigation are in the early stages. Those cases have been pending against Samsung for almost two years. But even if those cases are considered as being in their early stages, Samsung and Micron should not benefit from the gamesmanship used here, namely having Samsung rather than Micron file the requests for reexamination so Samsung can argue that the litigations in which it is a named party are in the early stages.

In the Immersion-Sony and Calloway Golf proceedings, the Office also considered whether the claims for which reexamination was requested were identical to the claims in litigation. The Office indicated that it was concerned with piecemeal prosecution. *See, e.g.,* Calloway Golf proceeding, July 19, 2006 Decision at 10. Although the claims at issue in these proceedings are not identical to those in the litigations, suspension is still warranted. A decision by the Federal Circuit following the district court litigations might cast light on the appropriate disposition of any claims that remain in the reexamination. *Sony Computer Entertainment America Inc. v. Dudas*, 2006 WL 1472462, *2 n.1 (E.D. Va. 2006). For instance, resolution of the written description issue for the claims asserted in litigation may dispose of that issue for non-asserted claims containing the limitations in question.

Moreover, in these proceedings Samsung is deliberately seeking to obtain piecemeal prosecution. By intentionally staggering its reexamination requests on patents in the same patent family over long periods of time, Samsung prolongs these and future proceedings and causes

piecemeal prosecution. Thus, in this case, by suspending these proceedings, the Office can avoid piecemeal prosecution. Once the litigations involving the Rambus patents have concluded, the Office can consider any issues that remain in Samsung's requests for reexamination rather than considering them serially over many years.

IV. Conclusion

For the reasons set out above, Rambus respectfully requests that the filing dates in the above-identified reexaminations be vacated or in the alternative that the reexamination proceedings be suspended pending resolution of the co-pending district court litigations.

If there is any fee due in connection with the filing of this Petition, please charge the fee to Deposit Account 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

Dated: May 15, 2007

By: 

David L. Soltz
Reg. No. 34,731

PATENT
Customer No. 22,852
Attorney Docket No. 10314.0003

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Inter Partes Reexamination of:)
)
Michael Farmwald et al.) Control Number: 95/000,178
)
U.S. Patent No.: 6,324,120) Group Art Unit: 3992
)
Issue Date: November 27, 2001) Examiner: Charles R. Craver
)
For: MEMORY DEVICE HAVING A)
VARIABLE DATA OUTPUT LENGTH)
)

Mail Stop *Inter Partes* Reexam
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

CERTIFICATE OF SERVICE

Pursuant to M.P.E.P. § 2266.06 and 37 C.F.R. §§ 1.248 and 1.903, the undersigned attorney for the patent owner certifies that a copy of the Petition To Vacate The Filing Dates And Orders Granting Inter Partes Reexamination Or, Alternatively, To Suspend The Proceedings was served by first-class mail on May 15, 2007, on counsel for the third party requestor at the following address:

David L. McCombs
Haynes and Boone, LLP
901 Main Street, Suite 3100
Dallas, Texas 75202-3789

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

Dated: May 15, 2007

By: _____

David L. Soltz
Reg. No. 34,731

Exhibit 1

Joint Case Management Conference Statement filed in *Hynix Semiconductor Inc., et al. v. Rambus Inc.*, No. CV 00-20905 RMW (N.D. Cal. 2000); *Rambus Inc. v. Hynix Semiconductor Inc., et al.*, No. 05-00334 RMW (N.D. Cal. 2005); *Rambus Inc. v. Micron Technology Inc. et al.*, No. 06-02244 RMW (N.D. Cal. 2006); and *Rambus Inc. v. Samsung Electronics Co., Ltd., et al.*, No. 05-02298 RMW (2005).

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8 **UNITED STATES DISTRICT COURT**
9 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**
10 **SAN JOSE DIVISION**

11 HYNIX SEMICONDUCTOR INC.,
12 HYNIX SEMICONDUCTOR AMERICA
13 INC., HYNIX SEMICONDUCTOR U.K.
14 LTD., and HYNIX SEMICONDUCTOR
15 DEUTSCHLAND GmbH,

16 Plaintiffs,

17 v.

18 RAMBUS INC.,

19 Defendant.

Case No. CV 00-20905 RMW

20 RAMBUS INC.,

21 Plaintiff,

22 v.

23 HYNIX SEMICONDUCTOR INC.,
24 HYNIX SEMICONDUCTOR
25 MANUFACTURING AMERICA, INC.
26 NANYA TECHNOLOGY
27 CORPORATION, NANYA
28 TECHNOLOGY CORPORATION U.S.A.,
SAMSUNG AUSTIN SEMICONDUCTOR,
L.P., SAMSUNG ELECTRONICS
AMERICA, INC., SAMSUNG
ELECTRONICS CO., LTD., SAMSUNG
SEMICONDUCTOR, INC.

Defendants.

Case No. C05-00334 RMW

**JOINT CASE MANAGEMENT
CONFERENCE STATEMENT**

Date: April 4, 2007
Time: 2:00 p.m.
Dept: 4th Floor, Courtroom 6
Judge: Hon. Ronald M. Whyte

(CAPTION CONTINUED)

1 RAMBUS INC.,
2
3 Plaintiff,
4 v.
5 MICRON TECHNOLOGY INC., MICRON
6 SEMICONDUCTOR PRODUCTS, INC.,
7 and MICRON TECHNOLOGY, INC.
8 Defendants.
9
10
11 RAMBUS INC.,
12 Plaintiff,
13 v.
14 SAMSUNG ELECTRONICS CO., LTD.,
15 SAMSUNG ELECTRONICS AMERICA,
16 INC., SAMSUNG SEMICONDUCTOR,
17 INC., SAMSUNG AUSTIN
18 SEMICONDUCTOR, L.P.,
19 Defendants.
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Case No. C06-00244 RMW

Case No. 05-CV-02298 RMW

1 Pursuant to the Court's Minute Order dated February 16, 2007, HYNIX
2 SEMICONDUCTOR INC., HYNIX SEMICONDUCTOR MANUFACTURING AMERICA, INC.
3 (Hynix); MICRON TECHNOLOGY INC., MICRON SEMICONDUCTOR PRODUCTS, INC.,
4 MICRON TECHNOLOGY, INC., (Micron); NANYA TECHNOLOGY CORPORATION,
5 (Nanya); and SAMSUNG ELECTRONICS CO., LTD., SAMSUNG ELECTRONICS AMERICA,
6 INC., SAMSUNG SEMICONDUCTOR, INC., SAMSUNG AUSTIN SEMICONDUCTOR, L.P.,
7 (Samsung) (collectively "the Manufacturer Parties") and RAMBUS INC. ("Rambus") make the
8 following joint case management statement in support of the Case Management Conference in all of
9 the captioned actions on April 4, 2007. This statement addresses the following topics in the
10 February 16 minute order:

- 11 1. Consolidation of the antitrust and related claims in the above-captioned cases;
- 12 2. Proposals on how the cases should proceed in light of the FTC liability and remedy
- 13 rulings;
- 14 3. Listing of issues which need resolution and motions under submission;
- 15 4. Suggestions on further mediation.

16 **1. Consolidation of the Antitrust and Related Claims**

17 **A. Hynix Statement**

18 Hynix is prepared to proceed to trial on all of its claims arising out of Rambus's illegal,
19 anticompetitive conduct in July of this year. However, as set forth in Hynix's case management
20 statement of February 13, 2007, Rambus's anticompetitive conduct at JEDEC (as well as outside
21 of JEDEC) forms the basis for either affirmative claims or affirmative defenses in the other cases.
22 Thus, the Court is presented with an opportunity, by the exercise of its inherent powers under Rule
23 42(a), to hold a consolidated trial on these issues. Hynix believes a consolidation of the antitrust
24 and related claims would significantly advance the industry-wide resolution of the extraordinary
25 tangle of Rambus litigation.

26 Consolidation is beneficial where it "prevents inconsistent results and promotes
27 efficiency." *Pay Tel Sys., Inc. v. Seiscor Technologies, Inc.*, 1996 U.S. Dist. LEXIS 1663, at *4
28 (S.D.N.Y. 1996) (consolidating cases for trial); *see also* Fed. R. Civ. P. 42(a) (granting district

1 courts the authority to consolidate actions and "make such orders concerning proceedings therein
2 as may tend to *avoid unnecessary costs or delay*" (emphasis added). Joint trials are also more
3 likely to bring related cases to a "speedier resolution." *Pay Tel.*, 1996 U.S. Dist. LEXIS 1663, at
4 *6. Therefore, multiple cases that have been pending for many years "weigh[] strongly in favor"
5 of a joint trial. *Id.* The Northern District of California and the Ninth Circuit have also recognized
6 the benefits to efficiency that consolidation may bring. *See Gallardo v. Bennett*, 2006 U.S. Dist.
7 LEXIS 76216, at *3-*4 (N.D. Cal. 2006) (citing *Vincent v. Hughes Air West, Inc.*, 557 F.2d 759
8 (9th Cir. 1977)).

9 Each of the Manufacturer Parties has complained about Rambus's anticompetitive conduct
10 at JEDEC.¹ The evidence, such as Rambus's conduct at JEDEC, its amendments to its patent
11 claims, and available alternative technologies, will be substantially the same, if not identical, in
12 each action. It is hard to imagine that Rambus's response to these claims would not be essentially
13 identical in each action. Additionally, the evidentiary effect of the FTC findings should be the
14 same in each action. All of the foregoing supports a consolidated trial on all parties' conduct
15 claims and defenses. Indeed, Rambus argues for consolidated handling of what it calls the 05-06
16 cases, but apparently believes the Court should try the common antitrust claims twice. *See*
17 *Rambus's Statement at 1E below.*

18 Finally, the four separate actions currently pending before this Court are but fragments of
19 an industry-wide dispute, which calls out for an industry-wide resolution. The Manufacturer
20 Parties claim Rambus's illegal conduct bars it from enforcing its patents. Rambus argues that
21 JEDEC standard DRAMs made and sold by the Manufacturer Parties infringe its patents because
22 Rambus claims patent coverage of the JEDEC standards. A consolidated conduct trial which will
23 have the participation of each of the major DRAM manufacturers will move these matters towards
24 an industry-wide resolution. The FTC's findings and ruling affect all industry participants and

25
26 ¹ There are also party-specific conduct claims, for example Hynix's claim of estoppel arising out
27 of the "Other DRAM" clause in its RDRAM license with Hynix. Hynix believes that standard
28 case management techniques can fairly address differences in party-specific claims.

1 will have a major input on the resolution of these industry-wide disputes.

2 Hynix anticipates that the other Manufacturer Parties and Rambus may be opposed to
3 going to trial in July. Accordingly, Hynix respectfully defers to the Court, the other Manufacturer
4 Parties and Rambus to set a schedule that allows for a consolidated conduct trial as expeditiously
5 as possible in a manner that is fair to all parties.

6 **B. Micron Statement**

7 Micron opposes Hynix's request to consolidate all of the defendants' conduct claims in the
8 Hynix I case, the Samsung case, the Micron case, and the DDR2 Industry case, into a single
9 conduct trial. Consolidation of so many claims and parties in disparate stages of trial preparation
10 would prejudice Micron in at least three ways. First, Micron would be prejudiced because it had
11 no opportunity to be heard on numerous issues that the Court already has decided in the Hynix I
12 case. Second, consolidation would lead to a very complex jury trial where the jury would be
13 challenged to keep track of numerous claims unique to each defendant, risking jury confusion.
14 Finally, it would be burdensome and prejudicial to require Micron to rush to trial in July.

15 First, consolidation would be fundamentally unfair because Micron has not had the
16 opportunity to be heard on key issues affecting the scope of the Hynix I conduct trial. The Court
17 has issued at least three orders granting summary judgment or summary adjudication on disputed
18 issues to be tried in the conduct phase. On one motion, the Court granted Rambus's motion for
19 adjudication that "the JEDEC duty to disclose did not extend to the beliefs, hopes, or intentions to
20 file or amend patent applications."² See 7/17/06 Hynix I Order at 21. But Micron had no
21 opportunity to voice its opposition to this motion or present evidence which demonstrates that the
22 duty does extend to beliefs and intentions regarding the connection between patentable inventions
23 and the work of JEDEC.

24 Additionally, the Court has already granted Rambus summary judgment on three of

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26 ² Micron respectfully suggests that this ruling is in conflict with the subsequently issued FTC
27 liability ruling.
28

1 Hynix's claims relating to breach of contract. Presumably, this means that the Court will not let
2 breach of contract claims go to the jury. This would be unfair to Micron, which did not have an
3 opportunity to be heard before the Court ruled on that issue. *See St. Bernard General Hospital,*
4 *Inc. v. Hospital Service Asso.*, 712 F.2d 978, 989 (5th Cir. 1983) ("Consolidation is improper if it
5 would prejudice the rights of the parties.").

6 Second, consolidation would force the defendants to try their individual claims and
7 defenses together in a long and costly trial. The multitude of different issues raises concerns of
8 conflicting arguments and evidentiary ruling between the defendants, not to mention the sheer
9 complexity of trying so many issues before a jury at one time.

10 Three of the defendants have pleaded unique conduct claims against Rambus. Micron
11 alone has pleaded wrongdoing under *Walker Process* and negligent misrepresentation. Samsung
12 has distinct contract and fiduciary duty claims. Even Hynix points out that there is at least one
13 conduct claim unique to Hynix, the so-called "Other DRAM" claim. If all the conduct claims
14 were consolidated, each party a distinct set of claims to the jury, thereby increasing complexity
15 and confusion.

16 Furthermore, the defendants' claims under California Business and Professional Code §
17 17200 appear to be different in scope. Both Micron and Samsung are seeking relief for spoliation
18 as "unlawful" conduct under § 17200, whereas Hynix may be precluded from taking the same
19 position. During a consolidated trial, the jury would be challenged with the difficult task of
20 keeping track of each unique claim and the party asserting the claim, in addition to comprehending
21 an already complex set of issues.

22 Third, Hynix and Micron are in radically different stages of trial preparation for the
23 conduct trial. Hynix was ready for a conduct trial last year. In contrast, Micron has not even
24 begun to litigate its conduct claims in California. In the DDR2 case, Rambus is just now
25 answering Micron's pleadings, and the parties have not yet exchanged initial disclosures. There
26 has been no fact or expert discovery in California. The *Pay Tel Systems* case cited by Hynix
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28

1 recognizes that "[i]f the cases are at different stages of pretrial proceedings, consolidation may not
2 be appropriate."³ 1996 U.S. Dist. LEXIS 1663, *5; *see also* Wright & Miller §2385 at 442-45
3 ("[T]he district court may deny consolidation when one of the actions has proceeded further in the
4 discovery process than the other."). It would be virtually impossible for Micron to complete the
5 necessary discovery and prepare for trial in July.

6 Additionally, Micron believes that Samsung's statement provides compelling reasons for
7 staying both the conduct and patent phases, pending the outcome of *inter alia* Samsung's
8 summary judgment motion, the re-examination of Rambus's patents by the PTO, and the appeals
9 of Judge Payne's decision in the Samsung case and the decision in the FTC case.

10 An additional basis for a stay is that Micron should be permitted to resolve its disputes
11 with Rambus in Delaware, where Micron first raised conduct issues between the parties. Micron
12 originally filed its conduct claims against Rambus in 2000. Through no fault of its own, Micron –
13 the plaintiff – has been waiting for more than six years to have its claims heard in Delaware. The
14 present case, which is a subsequently filed action, should not be allowed to leap-frog ahead of
15 Micron's original request for relief on these issues.

16 To the extent the Court chooses to go forward with a consolidated trial, Micron believes
17 the patent case should be stayed until after that trial, and the consolidated conduct trial should be
18 on the narrow issues the defendants share in common, such as the defendants' claims under
19 Section 2 of the Sherman Act and their claims for fraud. Moreover, Rambus should be precluded
20 from making any arguments or offering any evidence regarding the Department of Justice
21 investigation of allegations of antitrust violations by the DRAM manufacturers. If there must be a
22

23 ³ In the *Pay Tel Systems* case, discovery had been completed in both actions being consolidated,
24 both pretrial orders were complete, and the cases had already been assigned *the same trial date*.
25 1996 U.S. Dist. LEXIS 1663, *6 ("Thus, the cases are in an identical stage in pretrial
26 proceedings."). Micron submits that the case law *does not* favor consolidating the cases in
27 different stages of trial preparation. *See e.g. Mills v. Beech Aircraft Corp.*, 886 F.2d 758, 761 (5th
28 Cir. 1989), *St. Bernard General Hospital, Inc. v. Hospital Service Asso.*, 712 F.2d 978, 990 (5th
Cir. 1983); *La Chemise Lacoste v. Alligator Co.*, 60 F.R.D. 164, 176 (D. Del. 1973); *Henderson v.*
National R. Passenger Corp., 118 F.R.D. 440, 441 (D. Ill. 1987).

1 consolidated conduct trial, Micron submits that the Court should adopt the schedule proposed by
2 Samsung, in order to allow Micron adequate discovery and time to prepare.

3 **C. Nanya Statement**

4 Like Micron, Nanya believes that Samsung's statement provides compelling reasons for
5 staying both the conduct and patent phases, pending the outcome of the various events described
6 therein. However should the Court chose to proceed, Nanya agrees with Hynix's proposal that
7 consolidation of the antitrust and related claims from the various actions will aid the efficient
8 resolution of the actions pending between Rambus and the various manufacturers. However, it
9 would be unfair and prejudicial to require Nanya to proceed to trial on those claims in July of this
10 year. Nanya has not yet received the documents, sealed trial or hearing records or other discovery
11 from the other Rambus actions and has not had the opportunity to conduct its own fact or expert
12 discovery. Nanya would agree to consolidation and an expedited trial of the antitrust and related
13 claims on the schedule proposed by Samsung, provided the following conditions were met:

- 14 1. Rambus produces all documents, deposition transcripts, hearing transcripts and
15 exhibits from the other actions involving the Farmwald patent family and the FTC
proceedings.
- 16 2. Rambus' patent infringement claims are stayed until 45 days after judgment is
17 entered on the antitrust and related claims.
- 18 3. Discovery from all parties is limited to subject matter relevant to the antitrust and
related claims.
- 19 4. Rambus is prohibited from introducing any evidence relating to any alleged
20 conspiracy between the defendants.

21 Assuming the Court orders the above conditions, Nanya concurs in the proposed trial
22 schedule proposed by Samsung.

23 **D. Samsung Statement**

24 **Partial Stay Pending Summary Judgment Is the Most Efficient Course**

- 25 (1) A 120-Day Stay Pending Summary Judgment of Collateral Estoppel and Unclean
Hands

26 Samsung believes that this litigation should be in large part stayed for an additional 120
27 days until the Court can consider and rule on a motion for summary judgment on the
28 unenforceability of all patents with a priority date prior to December 2000, for the following

1 reasons:

- 2 (a) By the time of the CMC, Samsung will file a motion for summary judgment
3 demonstrating that all Rambus patents with a priority date prior to
4 December 2000 are unenforceable for unclean hands based on collateral-
5 estoppel application of the findings in Judge Payne's final judgment. This
6 final judgment is entitled to collateral estoppel even pending appeal, and
7 there is complete privity of parties and identity of issues as between
8 Samsung and Rambus. The Court should set a time for Rambus's response
9 at the April 4, 2007 CMC, for Samsung's reply, and then a hearing in May
10 2007. No further action in the lawsuits should go forward pending a ruling
11 on this motion.
- 12 (b) As further reason to proceed in this manner, the United States Patent and
13 Trademark Office ("PTO") has granted re-examination in *inter partes*
14 proceedings on three of the Rambus '898 patent family patents –
15 significantly, it declared substantial new questions of patentability as to
16 claims that purport to trace priority to the '898 patent based on art more
17 recent than that priority date in response to Samsung's arguments that the
18 claims are so lacking in support in the written description that the later
19 claims are not entitled to the earlier priority date. The significance of these
20 re-examinations is not just that the patents could be invalidated or
21 substantially narrowed, but also that the PTO could find the written
22 descriptions insufficient to support the 1990 priority date upon which the
23 entire '898 family depends. The validity of the '898 patent family is best
24 resolved by the PTO and that resolution is in progress: statistics show that
25 the majority of claims for which *inter partes* re-examination is declared do
26 not survive in their original form, if at all.⁴ While the PTO has granted re-
27 examination, it has not yet issued an office action, but will likely do so in
28 the next three or four months (the re-examinations were granted on
December 26, 2006, and by PTO guidelines the office actions explaining
them were to be issued in early February). These office actions will allow
the Court to examine the efficacy of having the entire patent case stayed
pending the re-examination of Rambus's patents (Samsung currently
intends to file re-examinations on the remainder of the '898 patents upon
evaluation of the office actions when issued).
- (c) As further support for a stay, there are two appeals that could impact the
outcome of this lawsuit: the appeal of the FTC ruling and findings and the
separate appeal by Rambus of Judge Payne's Order finding spoliation of
evidence and exceptional case as to Rambus's patents (*Samsung Electronics
Co., Ltd. v. Rambus, Inc.*, Federal Circuit No. 2006-1579). If Rambus loses

⁴ See Roger Shang and Yar Chaikovsky, *Inter Partes Reexamination of Patents: An Empirical Evaluation*, 15 Tex. Intell. Prop L. J. 1, 11 (Fall 2006).

1 either appeal, then it will likely lose any claims it has in these cases based
2 on patents that claim priority to a time pre-dating its withdrawal from
3 JEDEC and/or its spoliation of evidence. Significantly, in the *Samsung v.*
4 *Rambus* appeal to the Federal Circuit, Rambus has not challenged the
5 accuracy of any of Judge Payne's findings; rather its appeal is limited to
6 procedural issues, leaving the substance of the findings of wrongful conduct
uncontested on appeal. An additional period of partial stay will allow the
Court to review the briefing in at least the *Samsung v. Rambus* appeal, and
also to evaluate the progress in Rambus's appeal from the FTC ruling, in
considering how to proceed.

7 (2) At a Minimum the Patent Claims Should Be Stayed Pending a Wrongful Conduct
8 Trial in 2008

9 Given the FTC ruling, the re-examinations, and Judge Payne's findings as to Samsung, the
10 expense and burden of litigation of the patent claims by Rambus should be avoided until at least a
11 trial is concluded before a jury on the legal issues and this Court on the equitable issues arising
12 from Rambus's wrongful acts. Since neither Micron, Samsung, nor Nanya has had any discovery
13 or opportunity to develop evidence, expert reports, or otherwise prepare for a trial (and the scope
14 of such a trial has yet to be defined), these parties must be given time to prepare for this trial.

15 Although Samsung would prefer that its conduct claims be tried separately, a consolidated
16 wrongful conduct trial could be fairly conducted if the legal issues common to all manufacturers
17 are tried to a jury, and the equitable issues common to these manufacturers are tried to the Court
18 (properly segregating evidence Rambus would contend tips the equities in its favor for
19 consideration only, if at all, in the bench trial). Additionally:

- 20 (a) Consolidation should be of only those issues that are common to the parties
21 (e.g., JEDEC misconduct, prosecution laches, etc.), but excluding conduct
22 issues that are unique to Samsung, which would be heard separately (e.g.,
23 Neil Steinberg conduct, Breach of Rambus/Samsung license, and Breach of
24 duty of good faith and fair dealing with respect to the Infineon license).
The chart below, which compares the claims of each of the defendants in
25 these cases to those raised in *Hynix Semiconductor Inc. v. Rambus Inc.*,
00cv20905 (N.D. Cal.), demonstrates which conduct claims are unique to
Samsung;
- 26 (b) Rambus should be prohibited from introducing any evidence before the jury
27 relating to conspiracy *between* the defendants as there is no argument
28 whatsoever that this evidence is relevant to any legal issue to be decided by
a jury, but rather if this evidence is admissible at all (which is doubtful), it

1 only goes to the equities to be considered by the bench. Specifically, the
2 charges, pleas, and judgments and decrees related to the Department of
3 Justice Antitrust Case cannot be permitted before any jury in considering
4 the legality of Rambus's own conduct; and

- 5 (c) Proceedings should be limited to those issues that are relevant to the
6 conduct trial until after the conduct trial is held. The infringement phases of
7 the cases should all be stayed until after the conduct trial.

8 Samsung would agree to the following schedule for a consolidated conduct trial:

9 CMC: 4/4/07
10 Rambus Production: 4/19/07
11 Fact Close: 10/19/07
12 SJ deadline 12/19/07
13 Expert Reports: 1/31/08
14 Rebuttal reports: 2/28/08
15 Expert discovery: 3/31/08
16 Daubert/MIL 4/18/08
17 Daubert/MIL hearing 5/22/08
18 Trial - on or after 6/3/08

19 Samsung requests a three week trial.
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Samsung's DDR Claims	Samsung's DDR2 Claims	Similar Hynix I Claims
Count I – Breach of Section 3.8 of the SDR/DDR License	Count I – Breach of Section 3.8 of the SDR/DDR License	<i>None</i>
Count II – Breach of Section 8.5 of the SDR/DDR License	Count II – Breach of Section 8.5 of the SDR/DDR License	<i>None</i>
Count III – Breach of the Duty of Good Faith and Fair Dealing of Sections 3.8 and 8.5 of the SDR/DDR License	Count III – Breach of the Duty of Good Faith and Fair Dealing of Sections 3.8 and 8.5 of the SDR/DDR License	<i>None</i>
Count IV – Aiding and Abetting Breach of Fiduciary Duty to a Current Client	Count IV – Aiding and Abetting Breach of Fiduciary Duty to a Current Client	<i>None</i>
Count V – Aiding and Abetting Breach of Fiduciary Duty to a Former Client	Count V – Aiding and Abetting Breach of Fiduciary Duty to a Former Client	<i>None</i>
Count VI – Intentional Interference with Contract	Count VI – Intentional Interference with Contract	<i>None</i>
Count VII – Violation of Cal. Bus. & Prof. Code §17,200	Count VII – Violation of Cal. Bus. & Prof. Code §17,200	<i>Same (Third Claim for Relief)</i>
Count X – Declaratory Judgment of Unenforceability (based on prosecution laches, unclean hands, and estoppel)	Count X – Declaratory Judgment of Unenforceability (based on prosecution laches, unclean hands, and estoppel)	<i>Same (fifth, sixth, eighth, ninth, and eleventh affirmative defenses)</i>
Fourth Affirmative Defense – Prosecution Laches	Fourth Affirmative Defense – Prosecution Laches	<i>Same (eighth and ninth affirmative defenses)</i>
Sixth Affirmative Defense – Equitable Estoppel	Sixth Affirmative Defense – Equitable Estoppel	<i>Same (fifth and sixth affirmative defenses, Fourth Claim for Relief)</i>
Seventh Affirmative Defense – Estoppel	Seventh Affirmative Defense – Estoppel	<i>Same (fifth and sixth affirmative defenses)</i>
Eighth Affirmative Defense – Implied License	Eighth Affirmative Defense – Implied License	<i>Same (sixth affirmative defense)</i>

E. Rambus Statement

(1) Rambus's Proposal For How Cases Should Proceed

The Court has set a trial date of July 9, 2007 for the third and final phase of Case No. 00-20905 (hereinafter "*Hynix I*"). Rambus respectfully requests that the Court maintain this

1 trial date for "Phase III."⁵ The trial should proceed as scheduled – and not be postponed as Hynix
 2 proposes above – because the case has been pending for more than six-and-a-half years; discovery
 3 is complete; the parties have already adjudicated two of the three phases of a trifurcated trial; and
 4 the parties were on the eve of the Phase III trial when it was stayed, so the pretrial preparations are
 5 nearly complete. Moreover, both Rambus and Hynix need final resolution of the case so that upon
 6 completion of Phase III, the parties can pursue any appellate challenges, those challenges can be
 7 heard by the appellate court where appropriate, and there can finally be resolution with respect to
 8 this long-standing dispute between Rambus and Hynix. Finally, it is not equitable to further
 9 postpone resolution of Rambus's patent infringement claims against Hynix because during that
 10 delay, Hynix continues to free-ride on Rambus's technology. Indeed, since the patent trial verdict,
 11 Hynix has ramped up its production of DDR2 products, which the jury found infringed all of the
 12 Rambus patents tried in Phase II. As a result of this ramp-up, Hynix's DDR2 products are
 13 currently the "predominant" memory manufactured by Hynix. See Transcript of Hearing in Case
 14 No. 00-20905 RMW, Feb. 16, 2007, at 31-32.

15 With respect to Cases No. 05-00334 ("*DDR2*"), No. 05-02298 ("*Samsung*"), and
 16 No. 06-00244 ("*Micron DDR2*") (collectively "the '05-'06 cases"), the Court's stay expired on
 17 February 2, 2007, and the cases are finally starting to move forward with discovery and pretrial
 18 preparation after more than two years with little progress towards trial due to various stays of the
 19 proceedings. Since the stay was lifted on February 2, 2007, the following things have happened in
 20 the '05-'06 cases: (a) Rambus disclosed its asserted claims and preliminary infringement
 21 contentions, along with the document production required by Patent Local Rule 3-2, in the *DDR2*
 22 and *Micron DDR2* cases, and limited the asserted claims to seventy-five;⁶ (b) the parties will
 23 respond today to all outstanding written discovery requests served before the most recent stay; (c)

24
 25 ⁵ The Court should set a pretrial conference in advance of this date. Rambus has previously
 suggested June 29, 2007.

26 ⁶ Rambus had already disclosed its asserted claims and preliminary infringement contentions
 27 in the *Samsung* case prior to the commencement of the stay.
 28

1 Rambus served comprehensive document requests; and (d) Rambus filed motions to dismiss
2 various counterclaims. All of these actions have occurred in the six weeks since the lifting of the
3 stay in an effort to move these cases forward towards trial.

4 Rambus asks the Court not to stay the '05-'06 cases once again. Instead, Rambus
5 proposes that the parties continue to proceed in the '05-'06 cases with discovery and trial
6 preparation on a common, coordinated schedule.⁷ At the end of this section, Rambus includes a
7 proposed pretrial schedule, and in Section 3 of this Joint Case Management Conference Statement,
8 Rambus addresses various case management issues such as discovery limits that need to be
9 resolved to provide guidance to the parties as the '05-'06 cases move forward. Once discovery,
10 claim construction, and dispositive motions have progressed, it will be possible for the Court, with
11 the input of the parties, to decide how the '05-'06 cases may most efficiently and effectively be
12 tried.

13 In the preceding sections, the "Manufacturer Parties" have offered a cacophony of
14 often conflicting proposals for consolidation, stays, and bifurcation – the only unifying theme is
15 their effort to delay adjudication of Rambus's patent infringement claims against the Manufacturer
16 Parties. Needless to say, Rambus disagrees with much of the Manufacturing Parties' preceding
17 statements. These assorted proposals were provided to Rambus the day before this Joint Case
18 Management Statement was due, allowing Rambus less than twenty-four hours to respond.
19 Rambus will nevertheless attempt to respond in general terms to the primary proposals and
20 arguments above, but Rambus will not attempt to address each substantive and procedural point
21 with which it disagrees. If there are particular issues the Court wishes to address in more depth,
22 Rambus expects that the half-day Case Management Conference format on April 4, 2007 will
23 allow for robust consideration of those issues. Alternatively, most of the Manufacturing Parties'

24
25 ⁷ Rambus has other patent infringement litigation pending against Micron in the District of
26 Delaware. *Micron Technology, Inc. v. Rambus Inc.*, United States District Court for the District of
27 Delaware, Civil Action No. 00-792-KAJ (D. Del.) (hereinafter "*Micron I*"). In light of Judge
28 Jordan's recent elevation to the Third Circuit, Rambus has advised the court in Delaware that it
may file a motion to transfer the *Micron I* case here to this Court.

1 proposals would more properly be brought as noticed motions to consolidate or motions to stay
2 pursuant to Local Rule 7-1.

3 **(2) The Phase III Hynix Trial Should Not Be Consolidated or Postponed.**

4 Rambus agrees with Micron and Samsung – although perhaps for different reasons
5 – that the various “conduct” trials should not be consolidated, based on the particular facts
6 presented here. In Rambus’s view, the consolidation and postponement proposal unfairly delays
7 adjudication of the third phase of a three phase trial in a case that has been pending for almost
8 seven years and is ready to be tried. Hynix is the *plaintiff* in this case – it brought the claims that it
9 now seeks to delay. In exercising discretion to consolidate trials under the Federal Rules of Civil
10 Procedure 42(a), courts have found that consolidation may properly be denied if it would delay
11 trial of one of the cases. *See Mills v. Beech Aircraft Corp.*, 886 F.2d 758, 762 (5th Cir. 1989)
12 (consolidation properly denied where one case was ready for trial and the other required additional
13 discovery); *Prudential Ins. Co. of America v. Marine Nat’l Exchange Bank*, 55 F.R.D. 436, 437
14 (E.D. Wis. 1972) (consolidation denied because it “would further prevent the setting of a trial date
15 for the action that is ready for disposition”); *Richard v. Doe*, 1994 WL 66745, *1 (E.D. La. 1994)
16 (“To consolidate these actions at this late date would require a continuance of the *Duplessis* trial
17 and the subsequent resetting of the newly consolidated action for trial at a much later date. This
18 would not serve the interests of judicial economy.”).

19 This Court is no stranger to motions to consolidate by Manufacturing Parties on the
20 eve of a Rambus trial with an accompanying request to postpone the upcoming trial. Just before
21 the commencement of Phase I of *Hynix I*, Samsung made a motion to consolidate trial on the
22 “unclean hands” defense in *DDR2* and *Samsung* with *Hynix I*. And, like Hynix’s proposal here,
23 Samsung sought to postpone the rapidly approaching “unclean hands” trial in *Hynix I* in order to
24 prepare for a consolidated trial. The Court denied the consolidation and postponement motion. In
25 so doing, the Court recognized that Rambus and Hynix were ready to try Phase I of *Hynix I*, and
26 although having multiple trials on similar issues might result in some duplication of work, the
27 “uncertainty regarding the enforceability of Rambus’s patents impedes meaningful progress
28

1 [towards settlement]" and "the longer these issues are drawn out, the more complicated the cases
2 become." Court's October 3, 2005 Order in *Hynix I* at 4.

3 Further, Rambus agrees with Micron and Samsung's concern that there are
4 substantial complexities associated with consolidating Phase III of *Hynix I* with the '05-'06 cases.
5 For example, Hynix would be differently situated than the other Manufacturing Parties in any
6 "consolidated" Phase III trial because, as Hynix agrees, its patent infringement verdict will be
7 before the jury or the Court in the Phase III trial, but there will not yet be a determination of
8 infringement as to the other Manufacturing Parties.

9 **(3) The Various Stay Requests Should Be Denied.**

10 For the reasons outlined above, Rambus opposes the Manufacturing Parties'
11 assorted requests for stays of various proceedings. Rambus is ready to go to trial on July 9 in the
12 *Hynix I* case, and Rambus is moving forward with discovery, claim construction, and other
13 dispositive briefing in the '05-'06 cases. Rambus will briefly address some of the Manufacturing
14 Parties' various requests for stays.

15 Samsung throws out a dizzying array of stay requests. The first is that "this
16 litigation" should be stayed for 120 days pending Samsung's anticipated motion for summary
17 judgment based on an argument that Judge Payne's unclean hands decision has collateral estoppel
18 effect here. This proposed motion, which would be based on an advisory opinion issued after the
19 district court had lost jurisdiction and which is inconsistent with this Court's findings after the
20 Phase I trial in *Hynix I*, has no merit and should not be used as a tool for delay. Further, Samsung
21 has had leave to file this motion since the Court's November 16, 2006 order, but Samsung still has
22 not filed the motion. Samsung should not benefit from its delay in filing this motion.

23 Next, Samsung seeks an indefinite stay to wait for the PTO to hear Samsung's re-
24 examination requests for certain patents. The Court is not required to stay litigation in view of
25 reexamination proceedings. See *Viskase Corp. v. Am. Nat'l Can Co.*, 261 F.3d 1316, 1328 (Fed
26 Cir 2001) (affirming denial of stay). In this case, a stay of the litigation as a result of Samsung's
27 reexamination requests would not be appropriate for numerous reasons, including:

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- Samsung's requests are plainly a dilatory tactic. *See KLA-Tencor Corp. v. Nanometrics, Inc.*, 2006 WL 708661, at *3 (N.D. Cal. 2006) ("[C]ourts also consider evidence of dilatory motives or tactics, such as when a party unduly delays in seeking reexamination of a patent.") In this case, Samsung waited well over a year after Rambus filed suit against it – specifically, 14, 15, and 16 months – before filing its requests for reexamination. Moreover, the first two requests that Samsung filed were incomplete, further delaying proceedings. *See Telemac Corp. v. Teledigital, Inc.*, 450 F. Supp. 2d 1107, 1111 (N.D. Cal. 2006) (the fact that certain requests for reexamination were incomplete "suggests that Teledigital is taking tactical advantage of opportunities for delay").
- Samsung's requests are likely to take well over five years to be resolved. Indeed, as the article cited by Samsung indicates, *none* of the inter partes reexamination proceedings that involved the appeal process and were filed as early as 2002 or 2003 had been completed as of late 2006. Roger Shang and Yar Chaikovsky, *Inter Partes Reexamination of Patents: An Empirical Evaluation*, 15 Tex. Intell. Prop. L.J. 1, 16 (Fall 2006).
- Samsung's requests simply rehash the same written description arguments that the jury rejected in the *Hynix* patent trial and that the Federal Circuit cast doubt on in *Rambus Inc. v. Infineon Technologies AG*, 381 F.3d 1081, 1094-95 (Fed. Cir. 2003).

Third, Samsung appears, at various points in this Joint Case Management Conference Statement, to seek an *indefinite* stay to await the outcome of any Rambus appeal pending anywhere, including any Rambus appeal from the recent FTC decision as well as Rambus's appeal of Judge Payne's spoliation-related order to the Federal Circuit. No appeal has been filed in the FTC matter to date, and the Federal Circuit appeal is still in its briefing stages (Rambus's reply brief is due April 2, 2007).⁸ Resolution of the Federal Circuit appeal could take upwards of six months before a decision is rendered. Any appeal from the FTC decision would take upwards of eighteen months. An indefinite stay during the pendency of these appeals would allow the Manufacturing Parties to continue to use Rambus's patented technology for free while further postponing any resolution – by Court or settlement – of these claims.

Last, Hynix also asserts (in Section 2 below) its own request for a stay – that the Court should stay the patent claims in all of the '05-'06 cases to await the resolution of "a number

⁸ Rambus vigorously disputes Samsung's description of the nature and substance of the appeal in the Federal Circuit. If this Court is interested in the substance of the arguments in that appeal, Rambus would be pleased to provide the Court with copies of the appellate briefs.

1 of pending issues" from the *Hynix I* patent trial. The claim construction issues that Hynix
2 identifies, however, were resolved as of the Court's November 15, 2004 Claim Construction Order
3 and are no longer pending. The invalidity arguments that Hynix identifies were rejected by the
4 patent trial jury in *Hynix I* and remain pending only in the sense that the Court has not yet ruled on
5 Hynix's post-trial motions. None of the supposedly pending issues that Hynix identifies provide
6 any basis for further delaying the '05-'06 cases.

7 (4) Adjudication of Patent Infringement Should Precede Adjudication of
8 "Conduct" Related Defenses and Counterclaims.

9 Defendants have proposed that Rambus's patent claims be tried in the '05-'06
10 cases after their antitrust and other counterclaims. As the plaintiff in those cases, however,
11 Rambus is entitled to present its claims first. Rita Mankovich Irani, *The New Skirmish in Patent*
12 *Cases: Who Goes First at Trial and with What Evidence?*, 17 AIPLAQJ 364, 370 (1989) ("[T]he
13 traditional trial order is that plaintiff goes first."). Moreover, it would make little sense to try the
14 Manufacturing Parties' claims that Rambus is monopolizing the market for DRAM devices by
15 asserting the patents-in-suit before there was any finding that the patents are valid and infringed.
16 In *Hynix I*, the Court decided, over Hynix's objections, that Rambus's patent claims should be
17 tried prior to the Hynix's antitrust and related claims. See Tr. (11/5/04) at 4. The Court made this
18 determination regarding the logical order of trial despite the fact that Hynix was the plaintiff. In
19 the '05-'06 cases, where Rambus is the plaintiff, it is even more appropriate to have Rambus
20 present its patent claims first.

21 In sum, Rambus respectfully requests that Phase III of *Hynix I* begin, as scheduled,
22 on July 9, 2007. Further, Rambus respectfully requests that this Court not halt the forward
23 progress of the '05-'06 cases toward trial. Those cases are, in some instances, more than two
24 years old, and it is time to move forward with them in general accordance with the timeline in the
25 patent local rules. The following is a proposed common pre-trial case schedule for the '05-'06
26 *Rambus cases*:

Event	Rambus's Proposed Schedule for '05-'06 Cases
Disclosure of Asserted Claims and Preliminary Infringement Contentions	February 23, 2007
Motions to dismiss filed and served	March 23, 2007
Written responses to discovery previously propounded	March 23, 2007
Preliminary Invalidity Contentions	April 9, 2007 (45 days after February 23) (already served in Samsung)
Initial Disclosures Under Rule 26(a)(1), F.R.Cv.P.	April 13, 2007 for Micron DDR2 (already served in other cases)
Exchange of Proposed Terms and Claim Elements for Construction	April 23, 2007 (10 court days following Preliminary Invalidity Contentions)
Hearing on Rambus's Motions to Dismiss Various Counterclaims	May 4, 2007
Exchange of Preliminary Claim Constructions and Extrinsic Evidence	May 14, 2007 (20 days following exchange of proposed terms)
Joint Claim Construction and Prehearing Statement	June 11, 2007 (60 days following Preliminary Invalidity Contentions)
Completion of Claim Construction Discovery	October 11, 2007 (following Phase III trial in Hynix)
Opening Briefs on Claim Construction and Summary Judgment Motions Dependent on Claim Construction	October 26, 2007 (15 days following completion of claim construction discovery)
Response Briefs	November 16, 2007 (21 days following opening briefs)
Reply Briefs	November 30, 2007 (14 days following response briefs)
Hearing on Claim Construction and Summary Judgment	Subject to Court's Calendar – December 18, 2007
Rambus's final Contentions	30 days after Claim Construction Ruling
Election of Patent Claims for Trial (if required by the Court)	30 days after Claim Construction Ruling
Defendants' Final Invalidity Contentions	50 days after Claim Construction Ruling
Disclosures under Patent Local Rule 3-8	50 days after Claim Construction Ruling
Completion of Fact Discovery	90 days after Claim Construction Ruling

Event	Rambus's Proposed Schedule for '05-'06 Cases
Initial Expert Reports on Issues where Party Bears Burden of Proof	30 days after Completion of Fact Discovery
Rebuttal Expert Reports	30 days after Initial expert reports
Completion of Expert Discovery	30 days after Rebuttal expert reports
Last day to File Dispositive Motions Not Dependent on Claim Construction	30 days after completion of expert discovery

2. Proposals On How The Cases Should Proceed In Light Of The FTC Liability And Remedy rulings

A. Hynix Statement

(1) Procedural Status of FTC Action

The FTC Final Order will become effective on April 12, 2007.⁹ Rambus filed a petition for reconsideration and a motion for stay. The Commission granted in part and denied in part Rambus's motion for stay. As of the date of this statement, the Commission has not yet ruled on Rambus petition for reconsideration. However in addressing the issue of a stay, the Commission addressed what appeared to be the primary focus of Rambus's petition for reconsideration (the impact of the FTC's Final Order on damages for alleged infringement that occurred prior to the date of the Order) by suggesting that the Final Order is directed at the collection of royalties with respect to JEDEC-Compliant parts after the date the Final Order becomes final.

If Rambus intends to appeal to a Court of Appeals, as it has publicly claimed it will do, a petition for review must be filed no later than April 9, 2007. The Federal Rules of Appellate Procedure would then provide for briefing to be completed by all parties by June 20, 2007, absent extensions of time. One can estimate that whichever Court of Appeals Rambus selects, the process will take between 15 months and 2 years to complete.

⁹ 15 U.S.C. § 45(g)(2); *see also*, Order Granting in Part and Denying in Part Respondent's Motion for Stay of Final Order Pending Appeal (hereinafter Order re Stay), issued March 16, 2007.

(2) How the cases should proceed in light of the FTC rulings

(a) Conduct Claims

As set forth above, Hynix believes consolidation of the conduct claims is warranted.

Additionally, already pending in the Hynix '905 Action are Hynix's Brief Re FTC Findings that Merit Prima Facie Evidentiary Effect in the Conduct Trial and Hynix's Motion for Summary Judgment on its Section 17200 Claim and Equitable Estoppel Defenses. If the trial in the '905 action proceeds in July, it should only be with the full prima facie evidentiary effect of the FTC's findings. Hynix and Rambus have addressed the issue of finality of the FTC orders in previous briefs. Hynix believes the FTC orders will be final for evidentiary purposes on April 12, 2007 in accordance with 15 U.S.C. §45(g)(2).

However, Hynix and Rambus have not yet addressed the impact of the Commission's grant of a partial stay of the FTC remedy order. The stay is by its terms, very narrow: "Apart from the stayed provisions (Paragraphs IV, V.A., VI, and VII) all other provisions of our Final Order will become effective on April 12, 2007."¹⁰ The stay does not reach the Order of August 2, 2006 reversing and vacating the ALJ's initial decision. It would be supremely unfair to allow Rambus, by seeking a stay of the FTC Orders, to undermine the use of the FTC findings in this Court which has already concluded that the FTC findings are admissible in the Hynix Conduct Trial.¹¹ Simply put, Rambus cannot have it both ways – a stay of the FTC Orders and a Conduct trial in this Court without the prima facie evidentiary effect of the FTC liability findings.

Hynix submits that the most sensible way to proceed with regard to the FTC findings is for the Court to issue a ruling on the pending motion regarding which of the FTC's liability findings will be entitled to prima facie effect. Rulings on this motion will help define the scope of a consolidated trial on the antitrust and related claims asserted by the Manufacturer Parties.

In addition, the Court should issue its ruling on Hynix's motion for summary judgment on

¹⁰ Order re Stay, p. 5.

¹¹ Order Staying Phase III of Trial, 8/22/06, p. 4.

1 its section 17200 and equitable estoppel claims. If favorable to Hynix, this ruling will narrow the
2 issues between Rambus and the other Manufacturer Parties by operation of collateral estoppel.

3 **(b) Patent Claims**

4 The patent claims in the '334, '298 and '244 actions should be stayed. First, a stay of the
5 patent claims will allow Micron, Samsung and Nanya, as well as Rambus (who presumably will
6 seek discovery) to prepare for the consolidated trial, if the Courts sets one.

7 Second, there are a number of pending issues from the Hynix '905 patent trial which will
8 impact the patent proceedings in the remaining actions. For example, there are fourteen patents
9 asserted against the Manufacturer Parties in the '334 and '244 Actions. Eleven of these fourteen
10 patents derive from the same April 1990 application (the Farmwald/Horowitz application) that was
11 the basis of all of the patents at issue in the Hynix '905 patent trial. Of the 75 claims identified in
12 Rambus's preliminary infringement contentions in the '334 and '244 Actions, 66 are in patents
13 derived from the original Farmwald/Horowitz application. In the '334 and '244 Actions, the
14 Court will encounter many of the identical claim construction and invalidity issues that have
15 already been argued at length in the Hynix case. Examples of common claim construction issues
16 include the meaning of "device", which appears in all 66 Farmwald/Horowitz claims, "delay
17 locked loop," "block size information," "read (and write) request," and "operation code", among
18 others. In addition, the 66 claims of the eleven Farmwald/Horowitz patents in the '334 and '244
19 actions present the same written description and many of the same prior art issues as the patents at
20 issue in the Hynix patent case. The four claims asserted against Nanya (only) in the '334 action
21 were in fact already tried in the Hynix patent case. Therefore, it is likely to be more efficient to
22 fully resolve the issues remaining from the Hynix patent case before proceeding with the patent
23 issues in the '334 and '244 actions.

24 **B. Micron Statement**

25 Micron is in agreement with Hynix and Samsung's statements, except to the extent that
26 Hynix suggests that the defendants' conduct claims should be consolidated in a single trial.
27 Micron agrees with Samsung's proposal that both the patent phase and the conduct phase should
28 be stayed, pending the events outlined in Samsung's statement. Micron further reserves the right

1 to file its own motion identifying facts from the FTC decision that should be given *prima facie*
2 effect.

3 **C. Nanya Statement**

4 Nanya agrees with Hynix's proposal regarding how the cases should proceed in light of the
5 FTC rulings. Nanya hereby incorporates Hynix's proposal in its entirety except for any statements
6 regarding the scheduling of the trial for the antitrust and related claim. Nanya's position on
7 scheduling is set forth above.

8 Nanya reserves the right to file its own motion identifying facts from the FTC decision that
9 should be given *prima facie* effect.

10 Nanya agrees with Hynix's proposal that the patent aspects of these cases be stayed,
11 including the Patent Local Rule disclosures, until the antitrust/conduct case is resolved.

12 **D. Samsung Statement**

13 It is Samsung's position that the FTC Rulings should have the following impact on these
14 cases going forward:

- 15 1. The FTC Rulings should constitute *prima facie* evidence of all findings contained
16 therein; or
- 17 2. All issues in these cases related to the FTC Rulings should be stayed pending
18 Rambus's appeal thereof.

19 **E. Rambus Statement**

20 Rambus has already briefed, in *Hynix I*, the impact of the FTC liability ruling in these
21 proceedings. For the reasons set forth in that briefing, none of the FTC's findings (or, at least,
22 none of the FTC findings identified by Hynix) is entitled to treatment as *prima facie* evidence in
23 this litigation. See Rambus's Opposition to Motion Re FTC Findings That Merit *Prima Facie*
24 Evidence Effect in Conduct Trial ("Prima Facie Brief").¹² Moreover, even if the Court were to

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26 ¹² Likewise, the FTC's liability ruling is not entitled to collateral estoppel effect. See
27 Rambus's Opposition to Hynix's Motion for Summary Judgment on Its Section 17200 Claim and
28 Its Equitable Estoppel Defense.

1 find certain of the findings may warrant treatment as prima facie evidence under section 5(a) of
2 the Clayton Act, any such prima facie treatment is not available until there exists a "final judgment
3 or decree." 15 U.S.C. §16(a). As Rambus has previously explained, every court that has
4 addressed the issue has held that "finality" for purposes of Clayton Act § 5(a) requires that all
5 appeals have either been completed or foregone. *See, e.g.,* Prima Facie Brief at 23-25; Rambus's
6 Opposition to Hynix's Motion for Release of Bond at 3-4.¹³ Hynix itself acknowledges that
7 Rambus's appeal will require upwards of eighteen months to complete. Accordingly, there can be
8 no basis for affording prima facie treatment to the FTC's findings in any Phase III trial (whether
9 conducted in 2007 or in 2008).

10 The FTC's remedy ruling likewise will not impact these cases. At the Case Management
11 Conference in *Hynix I* on February 16, 2007, the Court inquired whether the FTC's Remedy Order
12 could affect Rambus's right to collect damages for past infringement (*i.e.*, infringement that
13 occurred prior to the effective date of the Remedy Order). *See* Tr. (2/16/07) at 19. The
14 Commission has now made clear that, contrary to Hynix's position at that Case Management
15 Conference, any reading of the Order that would limit the royalties that Rambus could collect for
16 past infringement would be "at odds with the clear terms of the Order as well as with the
17 Commission's obvious intent, which was to enter a 'forward looking remedy.'" Stay Opinion at 4
18 (footnote and citations omitted).

19 Moreover, as to royalties for infringement occurring *after* the effective date of the Order,

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21 ¹³ This requirement is driven by both the significant impact that prima facie treatment may
22 have and the uncertainty that the lower tribunal's findings will be sustained on appeal. *See, e.g.,*
23 *Int'l Shoe Mach. Corp. v. United Shoe Mach. Corp.*, 315 F.2d 449, 457 (1st Cir. 1963) ("[I]f there
24 remains the possibility that the result dictated by the action of an inferior court may be reversed by
25 a higher tribunal, the evidentiary impact of the judgment will be delusively imprecise. To obviate
26 such a contingency, [Clayton Act § 5] imports the salutary principle of finality of judgment.");
27 *Fifth and Walnut v. Loew's Inc.*, 176 F.2d 587, 593 (2d Cir. 1949) (holding that Clayton Act § 5(a)
28 is "drastic in its consequences" and "cannot too fairly be applied to cases where the action of the
court may still remain in doubt"). Notably, in staying certain portions of its Order pending appeal,
the FTC concluded that Rambus had made a substantial showing on the merits in light of "the
complexity of the factual record, its volume, and the presence of difficult factual and legal
questions." Opinion of the Commission on Respondent's Motion for Stay of Final Order Pending
Appeal (3/16/07) ("Stay Opinion") at 2-3.

1 the Commission has stayed the portion of its Order prohibiting Rambus from seeking to collect
2 royalties in excess of the Maximum Allowable Royalty Rates, on the condition that such "Excess
3 Consideration" be deposited into escrow rather than paid to Rambus pending the outcome of
4 Rambus's appeal. Order Granting in Part and Denying in Part Respondent's Motion for Stay
5 Pending Appeal (3/16/07) at 1-2. Accordingly, Rambus remains entitled to seek to collect the full
6 measure of damages to which it is entitled.

7 Rambus's responses to the various proposals above respecting consolidation and stays are
8 addressed in Section I above.

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3. Listing of issues which need resolution and motions that are under submission

A. Hynix Statement

With regard to the Hynix Conduct trial, the following motions are pending¹⁴:

	Motion	Hearing Date	Hynix Recommendation
1.	Hynix's Brief re FTC Findings That Merit Prima Facie Evidentiary Effect in the Conduct Trial	1/26/2007	Hynix recommends the Court issue a ruling. See 2A(2)(a) above.
2.	Hynix's Motion for Summary Judgment on its Section 17200 Claim and Its Equitable Estoppel Defense	1/26/2007	Hynix recommends the Court issue a ruling. See 2A(2)(a) above.
3.	Rambus' Motion to Confirm Withdrawal of Jury Demand with Respect to Fraud Claim	2/16/2007	If the Court orders a consolidated conduct trial, this motion can be deferred. If no consolidated trial is ordered, a ruling should be made.

¹⁴ On July 20, 2006, Hynix filed eleven motions *in limine* and Rambus filed six motions *in limine*. The Court heard arguments on these seventeen motions *in limine* and issued tentative rulings on August 3, 2006. In addition, in early August, 2006, Hynix filed three motions *in limine* and Rambus filed eleven motions *in limine*. These fourteen motions *in limine* were to be argued on August 17, 2006, but were not heard as Phase III was stayed. For a complete list of these fourteen motions *in limine* please refer to Hynix's Supplemental Case Management Conference Statement filed on February 13, 2007.

With regard to the Hynix Patent trial, the following post trial motions are pending:

	Motion	Hearing Date	Hynix Recommendation
1.	Hynix's Renewed Motion for Judgment as a Matter of Law and Motion for New Trial Regarding Invalidity of Rambus's Asserted Claims for Failure to Satisfy the Written Description Requirement of 35 U.S.C. §112, ¶1	06/27/2006	Hynix recommends deferring a ruling until after the consolidated conduct trial.
2.	Hynix's Renewed Motion for Judgment as a Matter of Law and Motion for New Trial Regarding Claims Containing the "Access Time Register" Limitations	06/28/2006	Hynix recommends deferring a ruling until after the consolidated conduct trial.
3.	Hynix's Renewed Motion for Judgment as a Matter of Law and Motion for New Trial Regarding the Claim Limitation "Delay Locked Loop"	06/28/2006	Hynix recommends deferring a ruling until after the consolidated conduct trial.
4.	Hynix's Renewed Motion for Judgment as a Matter of Law and Motion for New Trial Regarding the "in Response to a Rising/Falling Edge" Limitation	06/28/2006	Hynix recommends deferring a ruling until after the consolidated conduct trial.
5.	Hynix's Renewed Motion for Judgment as a Matter of Law and Motion for New Trial Regarding the "Read Request" Claim Limitation	06/28/2006	Hynix recommends deferring a ruling until after the consolidated conduct trial.
6.	Hynix's Memorandum of Points and Authorities in Support of Its Motion For A New Trial on Invalidity Due To Prior Art	06/27/2006	Hynix recommends deferring a ruling until after the consolidated conduct trial.

B. Micron Statement

Micron is not aware of any additional issues which need resolution or motions under

1 submission.

2 **C. Nanya Statement**

3 Nanya does not have any pending motions that need resolved at this time. Nanya,
4 however, may file summary judgment motions prior to trial of the antitrust and related claims.
5 Any such motions will need to be resolved prior to trial.

6 **D. Samsung Statement**

7 Samsung is aware of the following issues and motions relating to Samsung which need
8 resolution:

9 Samsung will file a motion for summary judgment on the collateral-estoppel effect of
10 Judge Payne's July 18, 2006 opinions and orders in *Samsung Electronics Co., Ltd. v. Rambus Inc.*,
11 05cv406 (E.D. Va.) on or before April 4, 2007. The motion will be filed in both *Rambus Inc. v.*
12 *Samsung Electronics Co., Ltd.*, 06cv02298 (N.D. Cal.) and *Rambus Inc. v. Hynix Semiconductor*
13 *Inc.* 06cv00334 (N.D. Cal.).

14 **E. Rambus Statement**

15 **(1) Pending Motions**

16 **a. Hynix I Case**

17 Rambus agrees with the list of pending motions outlined in Hynix's section above,
18 combined with those in Hynix's Supplemental Case Management Conference Statement, pages 6
19 through 9, filed on February 13, 2007.

20 **b. Micron DDR2 Case**

21 The only pending motion in *Micron DDR2* is Rambus's Motion to Dismiss
22 Micron's Count XXI of Its Counterclaims (Section 17200), filed on March 23, 2007. This motion
23 is set for hearing on May 4, 2007.

24 **c. DDR2 Case**

25 The pending motions are as follows:

26 **a. Rambus's Motion to Dismiss Nanya's Counterclaim Four of Its Counterclaims**
27 **(Section 17200), filed on March 23, 2007;**

28

1 b. Rambus's Motion to Dismiss Hynix's Counterclaim Three of Its Counterclaims
2 (Section 17200), filed on March 23, 2007; and

3 c. Rambus's Motion to Dismiss Samsung's Second Amended Counterclaims, filed on
4 March 23, 2007.

5 These motions are all set for hearing on May 4, 2007.

6 d. *Samsung Case*

7 The only pending motion is Rambus's Motion to Dismiss Samsung's Second
8 Amended Counterclaims, filed on March 23, 2007. This motion is set for hearing on May 4, 2007.

9 (2) Issues That Rambus Believes Require Resolution

10 a. Process for Resolution of Discovery Disputes in '05-'06 Cases

11 Rambus requests that this Court appoint a special master in the '05-'06 cases pursuant to
12 Federal Rule of Civil Procedure 53(b) to hear (a) the parties' discovery disputes, (b) any disputes
13 related to the negotiation, application, or implementation of a single, common protective order,
14 and (c) any disputes with respect to discovery limits. Specifically, Rambus suggests that the Court
15 appoint the Honorable Read Ambler as the special master. Judge Ambler served as the special
16 master for discovery disputes in the *Hynix I* dispute and is thus familiar with many of the issues
17 that may arise in the '05-'06 cases.

18 b. Discovery Limits In The '05-'06 Cases

19 First, Rambus asks that the Court issue a Case Management Order setting reasonable limits
20 on deposition discovery in the '05-'06 cases. Specifically, Rambus proposes a limit of 200 hours
21 of depositions that defendants may collectively take in the *DDR2* and *Micron DDR2* cases
22 combined, with no more than 150 hours being taken of current or former Rambus officers,
23 directors, employees, or agents; a limit of 200 hours for each of Nanya and Samsung that Rambus
24 may take; a limit of 150 hours for Micron that Rambus may take; and a limit of 100 hours for
25 Hynix that Rambus may take. For the *Samsung* case, Rambus proposes that Rambus and Samsung
26 each be allowed 50 additional hours of deposition time for issues unique to that case. This
27 proposal is made in light of the fact that Rambus's current and former officers, directors,
28

1 employees, and agents have already given more than 950 hours of sworn testimony, generally all
2 of which may be used by defendants in the '05-'06 cases. Rambus respectfully submits that
3 defendants have no need for more than 1,100 to 1,200 total deposition hours of Rambus to prepare
4 their cases. Finally, Rambus proposes that a party shall not repeat prior lines of questioning of a
5 deponent without a good-faith basis to do so in accordance with Fed. R. Civ. P. 30(d)(4). Such
6 redundant questioning would be unnecessarily burdensome on the witnesses given the Court's
7 order that depositions taken in certain other litigation shall be useable in the '05-'06 cases as if
8 taken here.

9 Second, Rambus requests that this Court set reasonable limits on the interrogatories
10 propounded in the '05-'06 cases. Specifically, in view of the number of defendants in the
11 combined *DDR2* and *Micron DDR2* cases, Rambus proposes a limit of 10 interrogatories that each
12 of the defendants can propound on Rambus, in addition to interrogatories already propounded on
13 Rambus, for a total of 40 additional interrogatories to be propounded on Rambus; and a limit of 15
14 interrogatories that Rambus may propound on each of Hynix, Nanya, Samsung, and Micron in
15 *DDR2* and *Micron DDR2*, in addition to interrogatories already propounded, for a total of 60
16 additional interrogatories. In the *Samsung* case, Rambus suggests that Rambus and Samsung may
17 each propound 10 interrogatories on the other, in addition to interrogatories already propounded.

18 If the parties are unable to reach agreement on these proposed discovery limits, Rambus
19 suggests that the matter be referred to the special master.

20 **c. Single, Common Protective Order**

21 The parties are in the process of trying to negotiate a single, common protective order that
22 will govern new discovery in the '05-'06 cases. If the parties are unable to reach agreement,
23 Rambus suggests that the matter be referred to the special master.

24 **d. Rambus's Request for Leave to File Summary Judgment**

25 In Rambus's February 2007 Status Conference Statement and during the February 16,
26 2007 Status Conference in *Hynix I*, Rambus sought leave of this Court to file a motion for
27 summary judgment on Hynix's monopolization claim. The Court suggested that Rambus raise
28 that request for leave at the April 4, 2007 Case Management Conference. Rambus respectfully

1 renews its request for leave to file the summary judgment motion, which could be set for argument
2 on May 25, 2007.¹⁵

3 e. Plan for Resolution of Samsung's Steinberg-Related
4 Counterclaims

5 Samsung has asserted claims in Delaware Chancery Court for intentional interference with
6 contractual relations and aiding and abetting breach of fiduciary duty that are identical to
7 Samsung's Claims IV through VI in the *DDR2* and *Samsung* cases pending before this Court--
8 Samsung filed those claims in Delaware Chancery Court the day after it filed the corresponding
9 counterclaims in this Court. The claims in both courts are based on Samsung's allegations of
10 wrongdoing in connection with Neil Steinberg's work for Rambus.
11 Samsung's case in Chancery Court has been assigned to Vice Chancellor Strine, who has stayed
12 the cases there pending this Court's determination of how it will proceed with the parties' various
13 claims in this jurisdiction. Specifically, Vice Chancellor Strine expressed concern that if
14 Samsung's claims could survive dispositive motions and then proceeded to trial before him, he
15 could not complete adjudication of those claims until *after* Rambus's patent infringement claims
16 against Samsung were adjudicated here. See December 4, 2006 Transcript at 129-135 (attached
17 hereto) ("[S]ounds to me like the remedial phases of [the Chancery Court] litigation are going to

18
19 ¹⁵ As noted in Rambus's February 2007 Status Conference Statement, Rambus's motion will
20 demonstrate that Hynix's portion of the Joint Pre-Trial Statement, along with such decisions as
21 *Illinois Tool Works Inc. v. Independent Ink, Inc.*, 547 U.S. 28, ___, 126 S.Ct. 1281, 1291 (2006),
22 make it clear that Hynix cannot make a sufficient showing of market power to defeat summary
23 judgment on its monopolization claim. Hynix does not admit that any of Rambus's patents are
24 valid, nor does it allege that all SDRAMs and DDR SDRAMs infringe any Rambus patent. In
25 addition, Rambus currently has less than 30% of worldwide SDRAM and DDR production under
26 license. As a consequence, while Hynix might have an equitable estoppel defense or even a fraud
27 claim that requires a full trial, it cannot show that Rambus has obtained market power -- a strict
28 threshold requirement of an actual monopolization claim and one that is well suited for summary
judgment. See, e.g., *United Air Lines, Inc. v. Austin Travel Corp.*, 867 F.2d 737, 741-2 (2d Cir.
1989) (affirming summary judgment because defendant with 31% market share "lacks the market
power necessary to constitute a national monopoly"); *Dimmitt Agri Industries, Inc. v. CPC Intern.,*
Inc., 679 F.2d 516, 528-9 (5th Cir. 1982) (reversing jury verdict on monopolization claim in light
of defendant's 25% market share); *United States v. Aluminum Co. of America*, 148 F.2d 416, 424
(2d Cir. 1945) (33% share is "certainly" not a monopoly); *Pilch v. French Hospital*, 2000 WL
33223382 at *7 (C.D. Cal. 2000) (same).

1 be profoundly influenced by the outcome of cases already pending before Judge Whyte, and that it
2 would be kind of ridiculous for me to actually jump ahead of [the Northern District of
3 California]."). After the April 4, 2007 Case Management Conference in this Court, Rambus and
4 Samsung will return to Chancery Court to report on the plan for the proceedings here. If these
5 claims were to go to trial, Rambus will agree to defer to Samsung's choice of forum (Chancery
6 Court) for its Steinberg-related claims, so long as those claims are tried *after* Rambus's patent
7 infringement claims consistent with the Chancery Court's expressed preference that it have the
8 benefit of a decision on infringement and validity in order to balance the equities in any remedial
9 phase that it would conduct.

10 It is important to note, however, that the issue of how Samsung's Steinberg-related claims
11 will proceed should be moot. On March 23, 2007, Rambus filed a motion to dismiss Samsung's
12 Second Amended Counterclaims, including Claims IV through VI, as barred by the applicable
13 statute of limitations. If this Court grants that motion, then the Steinberg-related

14 **4. Mediation**

15 At the case management conference in the Hynix '905 case on February 13, 2007, the
16 Court indicated that it would attempt to arrange a coordinated mediation session, with all of the
17 Manufacturer Parties and Rambus, utilizing both mediators from prior sessions, Magistrate Judge
18 Seeborg for the federal Rambus cases and retired Justice Kay for the San Francisco Superior Court
19 Cartwright Act brought by Rambus.

20 **A. Hynix Statement**

21 Hynix will participate in whatever dispute resolution mechanism this Court directs. Hynix
22 believes that Magistrate Judge Seeborg is knowledgeable about all aspects of the Rambus
23 litigation, including the San Francisco Superior Court Cartwright Act case brought by Rambus,
24 and thus he is in a favorable position to assist the parties. Hynix further suggests that a dual
25 mediator session with all parties may add unnecessary complexity to further mediation
26 proceedings.

27
28

1 **B. Micron Statement**

2 Micron is in agreement with Hynix's statement regarding mediation

3 **C. Nanya Statement**

4 Nanya will participate in any dispute resolution procedure directed by this Court. Nanya
5 believes that the use of Magistrate Judge Seeborg presents the most efficient method of mediation,
6 as he is familiar with the issues based on the parties' prior mediations before him. Nanya believes
7 that the use of two mediators will unduly complicate any attempt to resolve this case. Nanya is
8 not a party to Rambus's state court antitrust case, and has not previously mediated before Justice
9 Kay. Any familiarity Justice Kay may have with the issues from Rambus's state court action is
10 irrelevant to resolving the dispute between Rambus and Nanya.

11 **D. Samsung Statement**

12 Samsung remains amenable to participating in further mediation.

13 **E. Rambus Statement**

14 Rambus agrees with the Court that the various disputes between the parties should be
15 resolved through a mediation or other business negotiation. Rambus asks the Court to order that
16 the parties participate in a mediation on or by May 31, 2007 before Justice Kay and
17 Judge Seeborg.

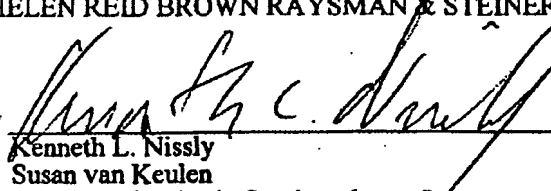
18 Justice Kay and Rambus are both presently available 23-25 and 30-31.¹⁶ Rambus
19 respectfully suggests that with the Court's support, the parties ascertain Judge Seeborg's
20 availability for these time periods. Then, the Court should order the parties to reach agreement
21 promptly on a time period for mediation that both Judge Seeborg and Justice Kay have available.

22
23
24
25 ¹⁶ Note that in the antitrust case against three of the four Manufacturing Parties in San
26 Francisco Superior Court, some of the parties have previously mediated before Justice Kay, and
27 Judge Kramer has recommended that all parties return for further mediation with Justice Kay.
28 Judge Kramer will address the plan for this further mediation at the next case management
conference in that case on April 12, 2007.

1 DATED: March 23 2007

THELEN REID BROWN RAYSMAN & STEINER LLP


2
3 By


Kenneth L. Nissly
Susan van Keulen
Attorneys for Hynix Semiconductor Inc.,
Hynix Semiconductor America Inc., Hynix
Semiconductor U.K. Ltd., and Hynix Semiconductor
Deutschland GmbH

4
5
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7
8 DATED: March 23 2007

WEIL GOTSHAL & MANGES LLP

9
10 By

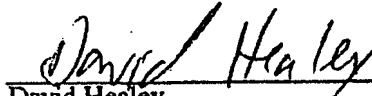

Jared Bobrow
Attorneys for Micron Technology, Inc.
Micron Semiconductor Products Inc.

(by permission
Kenneth L. Nissly)

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12
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14
15 DATED: March 23 2007

WEIL GOTSHAL & MANGES LLP

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David Healey
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Samsung Electronics America, Inc.
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Samsung Austin Semiconductor, L.P.

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Kenneth L. Nissly)

18
19
20
21
22 DATED: March 23 2007

ORRICK HERRINGTON & SUTCLIFFE

23
24 By


Vickie L. Freeman
Craig Kaufman
Attorneys for Nanya Technology Corporation
Nanya Technology Corporation U.S.A.

(by permission
Kenneth L. Nissly)

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DATED: March 23, 2007

MUNGER TOLLES & OLSON LLP

By Carolyn Luedtke
Gregory P. Stone
Carolyn Luedtke
Attorneys for Rambus Inc.

(by permission
Luedtke (dub))

Exhibit 2

Special Verdict Form in *Hynix Semiconductor, Inc. et al. v. Rambus, Inc.*, No. CV 00-20905
RMW (N.D. Cal. 2000).

FILED

SPECIAL VERDICT FORM

APR 24 2006

A. Instructions

RICHARD T. WELLMING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

For purposes of these questions, Rambus Inc. shall be referred to as "Rambus," and Hynix Semiconductor, Inc., Hynix Semiconductor America, Inc., Hynix Semiconductor U.K. Ltd. and Hynix Semiconductor Deutschland GmbH shall be referred to as "Hynix."

The questions below contain legal terms that are defined and explained in detail in the Jury Instructions. Please refer to the Jury Instructions if you are unsure about the meaning or usage of any legal term that appears in the questions below.

B. Findings on Rambus's Allegations of Patent Infringement by Hynix

1. Has Rambus proven that it is more likely than not that Hynix's SDRAM products infringe any of the following claims of Rambus's patents?

Answer "Yes" or "No" as to each claim:

'918 Patent, Claim 24 Yes ("yes" = infringed; "no" = not infringed)

'916 Patent, Claim 9 Yes

'916 Patent, Claim 28 Yes

2. Has Rambus proven that it is more likely than not that Hynix's DDR SDRAM products infringe any of the following claims of the Rambus patents?

Answer "Yes" or "No" as to each claim:

'105 Patent, Claim 34 Yes ("yes" = infringed; "no" = not infringed)

'918 Patent, Claim 24 Yes

'918 Patent, Claim 33 Yes

'020 Patent, Claim 32 Yes

'020 Patent, Claim 36 Yes

'916 Patent, Claim 9 Yes

'916 Patent, Claim 28 Yes

'916 Patent, Claim 40 Yes

C. Findings on Hynix's Allegations of Invalidity of Rambus's Patents

3. Has Hynix proven that it is highly probable that any of the following claims of Rambus's patents are invalid because the claims are "anticipated"?

Answer "Yes" or "No" with respect to each claim:

'918 patent, Claim 24 NO ("yes" = anticipated; "no" = not anticipated)

'120 Patent, Claim 33 NO

'020 patent, Claim 32 NO

'020 patent, Claim 36 NO

'916 patent, Claim 9 NO

'916 patent, Claim 28 NO

'863 patent, Claim 16 NO

4. Has Hynix proven that it is highly probable that any of the following claims are invalid because the claimed invention would have been obvious at the time the invention was made to a person having ordinary skill in the art?

Answer "Yes" or "No" as to each claim:

'105 Patent, Claim 34 NO ("yes" = obvious; "no" = not obvious)

'918 Patent, Claim 24 NO

'918 Patent, Claim 33 NO

'120 Patent, Claim 33 NO

'020 Patent, Claim 36 NO

'916 Patent, Claim 9 NO

'916 Patent, Claim 28 NO

'916 Patent, Claim 40 NO

'863 Patent, Claim 16 NO

5. Has Hynix proven that it is highly probable that any of the following claims are invalid because the written description does not support the claim (i.e., does not satisfy the written description requirement)?

Answer "Yes" or "No" as to each claim:

'105 Patent, Claim 34 NO ("yes" = invalid because written description requirement not satisfied; "no" = not invalid because written description satisfied)

'918 Patent, Claim 24 NO

'918 Patent, Claim 33 NO

'120 Patent, Claim 33 NO

'020 Patent, Claim 32 NO

'020 Patent, Claim 36 NO

'916 Patent, Claim 9 NO

'916 Patent, Claim 28 NO

'916 Patent, Claim 40 NO

'863 Patent, Claim 16 NO

D. Findings on Rambus's Claim for Damages for Infringement [If Applicable]

6. If you have found a claim infringed and have not found that claim invalid, or you have found that either Claim 33 of the '120 patent or Claim 16 of the '863 patent is not invalid, then you are to find the damages which Rambus has proven that it more likely than not suffered as a result of Hynix's infringement. If you have not found a claim infringed and you have found that both Claim 33 of the '120 patent and Claim 16 of the '863 patent are invalid, then you have no further questions to answer, and you should proceed to Section E.

[If applicable] What damages has Rambus proven it more likely than not suffered as a result of infringement by Hynix's SDRAM product?

\$ 30,538,165

[If applicable] What damages has Rambus proven it more likely than not suffered as a result of infringement by Hynix's DDR SDRAM product?

\$ 271,429,107

E. Checking and Signing of Verdict Form

You have now reached the end of the verdict form and should review it to ensure it accurately reflects your unanimous determinations. The Presiding Juror should then sign and date the verdict form in the spaces below and notify the Security Guard that you have reached a verdict. The Presiding Juror should retain possession of the verdict form and bring it when the jury is brought back into the courtroom.

DATED: 4/24, 2006

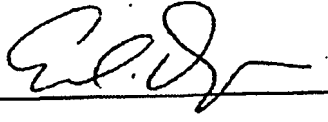
By: 
Presiding Juror

Exhibit 3

Order Granting in Part and Denying in Part Rambus's Motion to Compel Production of Documents filed on September 6, 2005 in *Hynix Semiconductor Inc., et al. v. Rambus Inc.*, No. CV 00-20905 RMW (N.D. Cal 2000).

Hon. Read Ambler (Ret.)
State Bar No. 44156
JAMS
160 West Santa Clara Street
Suite 1150
San Jose, California 95113
(408) 288-2240
Fax (408) 295-5267

Special Master

NOT FOR CITATION
UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

HYNIX SEMICONDUCTOR, INC.,
HYNIX SEMICONDUCTOR AMERICA,
INC., HYNIX SEMICONDUCTOR U.K.
LTD., and HYNIX SEMICONDUCTOR
DEUTSCHLAND GmbH,

Plaintiffs,

vs.

RAMBUS, INC.,

Defendant.

AND RELATED CROSS ACTIONS.

Case No. CV 00-20905 RMW

**ORDER¹ GRANTING IN PART AND
DENYING IN PART RAMBUS'S
MOTION TO COMPEL
PRODUCTION OF DOCUMENTS**

Date: August 23, 2005
Time: 3:00 p.m.
Court: Hon. Read Ambler (Ret.)
Place: JAMS
160 West Santa Clara St.
Suite 1150
San Jose, California 95113

Rambus, Inc. ("Rambus") has filed a motion to compel Hynix Semiconductor, Inc. ("Hynix Korea"), Hynix Semiconductor America, Inc. ("Hynix America"), Hynix Semiconductor U.K. LTD. ("Hynix U.K."), and Hynix Semiconductor Deutschland GmbH ("Hynix Germany") (collectively "Hynix") to produce certain documents listed on Hynix's March 16, 2004 privilege

¹ This disposition is not appropriate for publication and may not be cited.

1 log. The motion was heard on August 23, 2005. The Special Master has considered the papers
2 and the arguments of counsel.

3 Background

4 a. *Rambus's Prior Motion to Compel Production of Joint Defense Documents*

5 Hynix provided Rambus with privilege logs on March 16, 2004, April 24, 2004 and May
6 28, 2004. Rambus apparently was under the impression that the May 28, 2004 revised privilege
7 log contained all responsive documents withheld as privileged by Hynix.

8 On September 20, 2004, Rambus filed a motion to compel Hynix to produce 153
9 documents on Hynix's May 28, 2004 privilege log withheld on the basis of the attorney-client
10 privilege, work product doctrine and joint defense privilege. On October 19, 2004, the Special
11 Master issued an order granting in part Rambus's motion to compel production of documents, and
12 required Hynix to provide the Special Master with specific documents for *in camera* review. In
13 addition, Hynix was ordered to produce any joint defense agreements to the Special Master for *in*
14 *camera* review. On November 10, 2004, Hynix provided Rambus with a supplemental privilege
15 log that included additional documents, never previously disclosed, that Hynix asserted were
16 protected from disclosure by a joint defense privilege. On November 19, 2005, Hynix provided
17 the Special Master with the documents for *in camera* review.

18 On February 16, 2005, the Special Master issued an order regarding the *in camera* review
19 of the documents. Rambus's motion to compel production of the joint representation agreements
20 was granted. With respect to certain entries, the Order provides that:

21 Hynix has failed to justify its assertion of the joint defense privilege, the attorney-client
22 privilege and/or the work product doctrine. Within 14 days of receipt of this order, Hynix
23 shall provide the Special Master and Rambus with a revised privilege log and additional
24 evidence, explanation and/or argument to support its objections to production of the
25 documents. Any response by Rambus will be due within 7 days of receipt of Hynix's
26 further submission.

27 On March 2, 2005, Hynix submitted further briefing and evidence regarding the issues
28 raised by the February 16, 2005 order and an additional document for *in camera* review. In
29 connection with its further submission, Hynix produced a number of the disputed entries to
Rambus and produced redacted versions of certain entries.

On April 22, 2005, the Special Master issued an Order Re Further *In Camera* Review of
Documents Submitted Pursuant to October 19, 2004 Order, which granted in part and denied in

1 part Rambus's motion to compel production of specific entries on the May 2004 privilege log.
2 The order concluded that the majority of the remaining disputed entries contained either opinion
3 or ordinary work product, that because the communications were designed to further the parties'
4 joint defense effort, there was no waiver of the work product protection and therefore that the
5 majority of the documents at issue were protected from disclosure to Rambus.

6 *b. Factual Basis for Hynix's Assertion of the Joint Defense Privilege*

7 Hynix asserts that the documents in question in the present motion were created in
8 connection with the joint defense efforts of the Advanced DRAM Technology Consortium
9 ("ADT").

10 In December 1999, six companies from the DRAM Industry—Hynix, Infineon, NEC (now
11 Elpida), Samsung, Intel, and Micron—formed ADT. ADT was formed as a vehicle for
12 cooperative development of future DRAM technologies. ADT had a common legal interest in
13 studying the claims of certain U.S. Patents so that they could assess the scope and potential
14 applicability of such claims, the viability of effective design-around of the analyzed claims, and
15 of otherwise conducting the ADT effort in a manner that minimized patent and other intellectual
16 property related risks to the developers and adopters of the ADT specification. As stated by
17 Farhad Tabrizi, an ADT board member, "one aspect of the mission of ADT was to design a
18 memory that was free of third party IP, and particularly Rambus IP." Supplemental Tabrizi Decl.,
19 ¶ 3.

20 On January 18 and March 23, 2000, Rambus initiated a number of patent infringement
21 lawsuits against Hitachi. Rambus alleged that Hitachi's SDRAMs and DDR DRAMs infringed a
22 number of Rambus's patents. Hitachi attempted to join all other DRAM companies, including
23 Hynix, arguing that Rambus's claims applied to everyone selling DRAMs. The other DRAM
24 companies opposed the motion, which was denied. Hynix and Micron's Chief Counsel believed
25 that the Rambus/Hitachi lawsuits demonstrated that Rambus would enforce its patents against
26 other manufacturers of DDR, DRAMs and SDRAMs, including Hynix and Micron. Westergard
27 Decl., ¶ 4; Amended Conf. Brown Decl., ¶ 2.

28 In March and April 2000, the members of ADT executed a Joint Representation/Common
29 Interest Agreement ("the ADT agreement"). The effective date of the ADT agreement is March
1, 2000. The recitals of the ADT agreement begin by noting the parties intended to jointly
develop a next generation memory interface technology specification. See ADT Agreement,

1 Section A (1). The parties recognized that they had a common interest in studying the claims of
2 certain U.S. Patents so that they could assess the scope and potential applicability of such claims
3 and the viability of an effective design-around of the analyzed claims, and of otherwise
4 conducting the ADT specification joint development effort in a manner that minimizes patent and
5 other intellectual property related risks to both the developers and adopters of the ADT
6 specification. *Id.* In order to further their common interest, the agreement states that the parties
7 "desire to share certain information on a confidential basis, and to employ to the extent available
8 under applicable law, all of the protections of the attorney-client privilege, attorney work product
9 and joint defense or common interest privileges." *Id.*, Section A(3).

10 The parties agreed to retain the Sughrue Law Firm ("Sughrue" or "the Firm") "to
11 represent the Parties and engage in the following work (the "Privileged Advice") in furtherance of
12 the Common Interest of the Parties:

- 13 a. The Firm shall conduct an analysis of certain patents identified by agreement of
14 the Parties. This analysis, at a minimum, will include review of all independent
15 claims and file wrapper history of each identified patent (the "Analyzed Claims")
16 to the determine the scope and potential applicability of the claims.
- 17 b. The Firm will provide a written report which includes a description of the
18 Analyzed Claims, and which may include an identification of prosecution history
19 estoppel created with respect to certain claim language that may be helpful in
20 achieving an effective design-around of any applicable Analyzed Claims.
- 21 c. The Firm will prepare appropriate guidelines for the Parties to follow in their joint
22 development effort that will be aimed at minimizing exposure of the Parties to
23 patent or other intellectual property related risks.

24 ADT Agreement, Section B(1.1). The parties agreed to keep the Privileged Advice confidential
25 to maintain its status as attorney-client privileged material. *Id.*, Section B(2.2). The parties
26 further agreed to exchange such information, documents, communications and tangible things
27 among themselves and the Firm as may be useful in furtherance of the Common Interest. *Id.*,
28 Section B (3.1). All information, documents, communications or tangible things exchanged
29 among the parties and the Firm in furtherance of the Common Interest was to be subject to the
attorney-client privilege and/or work product doctrine. *Id.*, Section B(3.3).

"In 2000 and 2001, ADT and its individual members retained the Sughrue firm on matters
pertaining to impending (and presently actual) litigation with Rambus over its alleged DRAM-
related patents." Masters Decl., ¶ 3. Robert Masters ("Masters") "assumed the lead role at the
Sughrue firm in providing legal advice to ADT and its individual members as to various

1 intellectual property matters concerning DRAM designs and DRAM-related patent matters." *Id.*
2 During the course of the engagement, Masters kept abreast of and was involved in discussions
3 and correspondence among ADT members regarding "intellectual property issues, including the
4 group's efforts to develop technologies free both of any claimed Rambus intellectual property
5 ("IP") and any other third party IP." *Id.* Throughout the duration of this engagement, the ADT
6 members often and on a regular basis communicated to the Sughrue firm "various details of
7 technical information concerning proposed designs of DRAM technologies and specifically
8 requested our legal advice." *Id.* "In turn, [the firm] often and on a regular basis rendered legal
9 advice concerning various IP issues to the ADT members." *Id.*

10 "Throughout 2000 and 2001 ADT members would send their design engineers to ADT
11 meetings in order to discuss the development of DRAM technologies" and "various issues arising
12 from the intellectual property claims of Rambus and other third parties to the on-going
13 development and proposed designs of DRAM technologies." Masters Decl., ¶ 4. It was the
14 Sughrue firm's job "to advise the group on intellectual property and other legal issues that arose
15 out of those discussions." *Id.* "As the meetings progressed, the participating members would
16 identify and set aside legal issues for [the Sughrue] firm to address afterwards." *Id.* "At the end
17 of the several-day meetings, I and one or more attorneys of the Sughrue firm would meet with
18 representatives from each of the ADT members to discuss and analyze all the legal issues
19 identified and tabled pending consultation with counsel in the preceding days." *Id.* On other
20 occasions, members of the firm would attend the meetings themselves to discuss or make
21 presentations on legal issues or were involved in teleconferences to discuss on-going IP issues. *Id.*

22 "It was always [Masters] understanding that the intellectual property issues arising within
23 ADT, whether developed and then set aside by ADT members for later discussion with [his] firm
24 or discussed during the meetings with [his] firm, were intended to be kept confidential." Masters
25 Decl., ¶ 5. "Furthermore, it was [Masters] understanding and intent that these discussions
26 constitute privileged, attorney-client communications, and to [his] knowledge all such discussions
27 have been maintained in a manner to preserve both their confidentiality and privilege." *Id.* "The
28 ADT members developed and then flagged these issues specifically so that confidential,
29 privileged conversations would be had about them with [the Sughrue] firm." *Id.* Masters
considered this initial process to constitute privileged communications and understood that the

1 firm's advice "would be relayed to the other ADT members who were tasked with discussing IP
2 issues." *Id.*

3 *c. Hynix's March 2004 Privilege Log*

4 During the pendency of the proceedings regarding Hynix's May 2004 privilege log, a
5 dispute arose regarding redacted documents not listed on the May 2004 privilege log. On January
6 5, 2005, Rambus sent Hynix a letter identifying numerous redacted documents not listed on the
7 May 2004 privilege log and asked Hynix to produce unredacted copies of these documents or
8 provide a supplemental privilege log listing the reasons for the redactions. On February 23, 2004,
9 Hynix responded, stating that the redacted documents were not listed on Hynix's May 2004
10 privilege log, but were included on either Hynix's March 16, 2004 or April 24, 2004 privilege
11 logs. On February 25, 2005, Rambus demanded that Hynix submit all of the documents listed on
12 its March 16, 2004 privilege log to the Special Master in connection with *in camera* review of
13 documents listed on the May 2004 privilege log. Hynix did not do so. On March 1, 2005, Hynix
14 informed Rambus that, using the guidance provided in the Special Master's February 2005 Order,
15 Hynix would take a "hard look" at the redacted documents on the March 2004 log and that Hynix
16 would produce a revised log by the end of the next week.

17 On March 23 and 24, 2005, having received no further response from Hynix, Rambus sent
18 additional letters on the issue to Hynix. The May 24, 2005 letter included a chart identifying 174
19 documents from the March 2004 privilege log which, in Rambus's view, Hynix had improperly
20 withheld. Goodman Decl., Exh 9. Hynix objects to the production of these documents on the
21 grounds of the attorney-client privilege and joint defense privilege, but did not object to any of
22 these documents on the basis of work product doctrine. On June 7, 2005, Hynix responded,
23 stating that it was prepared to produce a number of the documents identified on the chart. On
24 June 15, 2005, Hynix produced 102 of the 174 documents identified in the chart. On July 27,
25 2005 Hynix produced additional documents, many in redacted form.

26 On August 9, 2005, Rambus filed the present motion to compel production of certain
27 documents listed in Hynix's March 2004 privilege log. The motion is directed to 62 of 174
28 documents on the May 24, 2005 chart prepared by Rambus that Hynix claims are protected in
29 whole or in part from disclosure by the attorney client and joint representation/common interest
privileges: entries 155-159, 161-166, 169, 180-182, 192-193, 206, 214-215, 233-237, 243-244,
248, 254-255, 260, 263, 272-274, 280-281, 288, 290, 293, 295-308, 312-313, 315-317, and 323-

325. See Goodman Decl., Exh. 13 (a new chart listing the documents that are the subject of this motion). Rambus has submitted copies of those documents that have been produced by Rambus in redacted form. *Id.*, Exh. 14.

Hynix's opposition motion relies upon the declarations of Masters and Tabrizi to establish the propriety of the privilege claims in question. The declaration of Masters provides in pertinent part that:

6. Document nos. 155, 169, and 297 are Power Point presentations arising from a September 2000 ADT meeting in Munich, Germany in which potential DRAM technologies were discussed in depth. Items redacted from document no. 155 identified the substance of legal issues to be addressed with me regarding how to avoid third party intellectual property claims. These entries identified specific aspects of the technologies the group was developing and how and whether they could avoid third party IP. They are issues that were intended to be discussed with me and my firm following those meetings. We did, in fact, discuss these issues with ADT in Munich during a meeting held between myself, Carl Pellegrini (also an attorney with the Sughrue firm) and the ADT member representatives. Document no. 169 is a presentation analyzing IP issues associated with ADT's work. The presentation pertains to patent issues that my firm was working on at the request of ADT and on which we were providing legal advice to ADT. This presentation reflects our firm's advice and work product.

7. Document nos. 157, 162, 163, 298, and 299 constitute the minutes of ADT conference calls regarding IP issues at various times in 2000 and 2001. These conference calls were held periodically throughout 2000 and 2001 and were for the purpose of reviewing the status of ADT's work including the identification of potential legal issues to be addressed by my firm. The redacted items relate to ongoing investigations regarding IP issues concerning potential designs of DRAM technologies and specific designs and patent issues tabled specifically so that our firm could be consulted about them.

8. Document nos. 156, 158, and 295 are additional Power Point slides arising from an October 2000 ADT meeting in which, again, IP legal issues were set aside for discussion with me and my firm. Specifically, discussion of designing around an IP issue arising from certain functions are redacted, as well as a "conclusion" section regarding how to handle Sughrue's advice on that issue.

9. Document nos. 159, 180, 293, and 296 are Power Point presentations from a November 2000 ADT meeting. The discussion items redacted address IP issues that extended to more than one function of the technology under discussion, including direct requests for "legal input." Again, Sughrue would have addressed these issues in a follow-on legal meeting.

10. Document no. 161 is a Power Point slide from a May 2001 ADT meeting. The slide discusses a technical issue to be subjected to an "IP check." This is, in other words, a request to the Sughrue firm and me to investigate issues concerning a patent matter before ADT discussed the matter any further.

11. Document nos. 164, 165, and 166 are excerpts from Power Point presentations at December 2000 and January 2001 ADT meetings. The items redacted relate to a circuitry design-around to solve an IP issue previously identified and discussed

1 with our firm in a request seeking our legal advice, and therefore reflect the advice we
2 gave to ADT on the issue.

3 12. Document no. 181 is a Power Point presentation created by Hynix's ADT
4 team that constitutes in its entirety an inventory of legal questions for our firm to address
5 regarding IP and design-around issues. To the best of my recollection, ADT discussed
6 these items with our firm both before and after the presentation.

7 ...
8 14. Sughrue's work for ADT terminated in or about December 2001. The item
9 redacted from document no. 192 reflects an ADT board meeting discussion regarding the
10 termination of our work.

11 15. Document no. 208 is an e-mail forwarding an August 2001 e-mail
12 reflecting my firm's legal advice to ADT members analyzing certain patent claims
13 possibly related to ADT's work. Similarly, document nos. 235, 236, 237, 272, 273, 288,
14 304, 305, 306, 307, and 308 are e-mail exchanges regarding an August 9, 2001 "IP
15 meeting" and subsequent legal advice ADT was seeking from Sughrue on technologies
16 ADT could use that would avoid third party patent coverage.

17 ...
18 17. The matters redacted from document no. 254 relate to an IP legal issue
19 ADT members wanted to discuss in a conference call with my firm and, in particular,
20 which ADT participants would be needed to attend that discussion and why. Document
21 no. 255 is an earlier exchange related to that same issue, i.e., in anticipation of discussing
22 it with my firm.

23 19. Document no. 281 is an exchange of e-mail among ADT members
24 regarding an "IP meeting" in Tokyo and lays out legal issues to be analyzed by Sughrue in
25 the meantime.

26 21. Document no. 325 is an e-mail exchange between ADT members on a
27 Rambus patent issue to be discussed with my firm.

28 Requests to File Documents under Seal

29 Hynix requests, pursuant to Civil Local Rules 79-5(b) and 7-10, that the following
documents be filed under seal: (1) Hynix's Opposition to Rambus's Motion To Compel Re Joint
Defense Documents; (2) the supplemental declaration of Farhad Tabrizi In Support Of Hynix's
Opposition to the Motion; and (3) the declaration of Robert M. Masters in support of Hynix's
Opposition to the Motion. Hynix asserts that the documents at issue address privileged
documents withheld from disclosure altogether and that no portion of the declarations are non-
confidential. Yost Decl. in support of Hynix's Misc. Administrative Request to File Documents
Under Seal, ¶¶ 3-5. Hynix will publicly file a redacted, non-confidential version of its opposition
to the motion deleting all confidential matter and will file under seal a confidential version of the
opposition.

1 Hynix's request is narrowly tailored to respect Hynix's confidentiality designations under
2 the Protective Order in this action. For good cause shown, Hynix's request for sealing is
3 GRANTED. Unredacted versions of the above-referenced documents shall be filed under seal in
4 accordance with Civil Local Rule 79-5 and the Protective Order.

5 Rambus requests, pursuant to Civil Local Rules 79-5(b) and 7-11, that the following
6 documents be filed under seal: (1) Rambus's notice of motion; (2) Rambus's motion to compel;
7 (3) the declaration of Michelle Goodman in support of Rambus's Motion to Compel; (4)
8 Rambus's reply in support of the motion; and (5) Rambus's evidentiary objections to declaration
9 of Robert M. Masters re privileged ADT-related documents. The five documents summarize,
10 quote and refer to, and use material designated by Rambus as Confidential, Special Confidential
11 and Confidential Outside Counsel Only under the stipulated Protective Order. Rambus will
12 publicly file redacted, non-confidential versions of the three documents, deleting all designated
13 confidential matter.

14 Rambus's request is narrowly tailored to respect Rambus's confidentiality designations
15 under the Protective Order in this action. For good cause shown, Rambus's request for sealing is
16 GRANTED. Unredacted versions of the five documents shall be filed under seal in accordance
17 with Civil Local Rule 79-5 and the Protective Order.

18 Evidentiary Objections

19 Rambus objects to paragraphs 6-15 and 17-21 of the Masters declaration on the grounds of
20 lack of foundation and lack of personal knowledge. Rambus asserts that Mr. Masters does not say
21 that he attended the particular meetings referenced in each paragraph, did not author and did not
22 receive the documents described in the declaration, was not involved in the creation of these
23 documents and has no personal knowledge about the intent of the author of these documents or
24 the purpose for which these documents were created.

25 Paragraphs 6-15 and 17-21 of the Masters declaration do not explain the basis for his
26 personal knowledge regarding the meetings and documents and do not provide adequate
27 foundation for the documents. Accordingly, the objections to paragraphs 6-15 and 17-21 of the
28 Masters declaration are SUSTAINED.

29 Legal Standard

a. Attorney-Client Privilege

1 "The attorney-client privilege protects confidential disclosures made by a client to an
2 attorney in order to obtain legal advice, as well as an attorney's advice in response to such
3 disclosures." *In re Grand Jury Investigation*, 974 F.2d 1068, 1070 (9th Cir.1992); *see also In re*
4 *Six Grand Jury Witnesses*, 979 F.2d 939, 944 (2d Cir.1992). The attorney-client privilege applies
5 when "necessary to achieve its limited purpose of encouraging full and frank disclosure by the
6 client to his or her attorney." *Clarke v. American Commerce Nat'l Bank*, 974 F.2d 127, 129 (9th
7 Cir. 1992). "The relationship of attorney and client, a communication by the client relating to the
8 subject matter upon which professional advice is sought, and the confidentiality of the expression
9 for which the protection is claimed, all must be established in order for the privilege to attach."
10 *U.S. v. Schwimmer*, 892 F.2d 237, 243 (2nd. Cir.1989).

11 "When the propriety of the privilege is disputed, then courts must resort to *in camera*
12 inspection to determine what documents if any are protected." *Power Mosfet Technologies v.*
13 *Siemens AG*, 206 F.R.D. 422, 426 n.12 (E.D. Tex. 2000); *In re Grand Jury Investigation*, 974
14 F.2d at 1074. "Although *in camera* review of documents does not destroy the attorney-client
15 privilege, it is an intrusion which must be justified." *In re Grand Jury Investigation*, 974 F.2d at
16 1074. "To empower the district court to review the disputed materials *in camera*, the party
17 opposing the privilege need only show a factual basis sufficient to support a reasonable, good
18 faith belief that *in camera* inspection may reveal evidence that information in the materials is not
19 privileged." *Id.* at 1075. "If the party makes such a showing, the decision whether to conduct the
20 review rests within the discretion of the district court." *Id.*

21 *b. Joint Defense "Privilege"*

22 The common-interest doctrine is not an independent basis for privilege, but an exception
23 to the general rule... (of waiver) when privileged information is disclosed to a third party."
24 *Cavallaro v. U.S.*, 284 F.3d 236, 250 (1st Cir.,2002). "Even where a common interest exists, that
25 alone does not create a privilege; it merely extends a recognized privilege, commonly the
26 attorney-client or work product privileges, to cover those communications to parties with the
27 common interest." *Power Mosfet Technologies*, 206 F.R.D. at 424. "The common interest
28 doctrine is an extension of the attorney-client privilege and the work product doctrine, and applies
29 "only if the other conditions of those privileges are satisfied." *Griffith* at 691. *And see United*
States v. Henke, 222 F.3d at p. 637 [construing joint defense privilege as giving rise to attorney-

1 client relationship between one party and counsel representing another party who shares common
2 interest[.])

3 "The joint defense privilege, more properly identified as the "common interest rule," has
4 been described as "an extension of the attorney client privilege." *Schwimmer*, 892 F.2d at 243,
5 citing *Waller v. Financial Corp. of Am.*, 828 F.2d 579, 583 n. 7 (9th Cir.1987). As noted *supra*, it
6 may also be an extension of the work product rule. When the attorney client privilege underlies
7 the joint defense privilege, it:

8 ...serves to protect the confidentiality of communications passing from one party to the
9 attorney for another party where a joint defense effort or strategy has been decided upon
10 and undertaken by the parties and their respective counsel. Only those communications
11 made in the course of an ongoing common enterprise and intended to further the enterprise
12 are protected. The need to protect the free flow of information from client to attorney
13 logically exists whenever multiple clients share a common interest about a legal matter,
14 and it is therefore unnecessary that there be actual litigation in progress for the common
15 interest rule of the attorney-client privilege to apply. Neither is it necessary for the
16 attorney representing the communicating party to be present when the communication is
17 made to the other party's attorney.

18 *Id.* at 243-244 (citations and quotations omitted). The joint defense privilege "qualifies the
19 requirement that a communication be made in confidence, and prevents waiver of the privilege to
20 the extent confidential communications are shared between members of a joint defense." *Griffith*,
21 *supra*, 161 F.R.D. at 692. "Thus, the existence of a joint defense allows the parties and counsel
22 involved in that defense to disclose privileged information to each other without destroying the
23 privileged nature of those communications." *Id.*

24 "The privilege does not require a complete unity of interests among the participants, and it
25 may apply where the parties' interests are adverse in substantial respects." *United States v.*
26 *Bergonzi*, 216 F.R.D. 487, 495 (N.D. Cal. 2003)(citation omitted). The existence of a common
27 business or commercial interest is not sufficient to justify application of the privilege; instead, the
28 common interest must relate to a litigation interest. *Beneficial Franchise Company, Inc. v. Bank*
29 *One, N.A.*, 205 F.R.D. 212, 216 (N.D. Ill. 2001).

"In order to establish the existence of a joint defense privilege, the party asserting the
privilege must show that (1) the communications were made in the course of a joint defense
effort, (2) the statements were designed to further the effort and (3) the privilege has not been
waived." *Haines v. Liggett Group Inc.*, 975 F.2d 81, 94 (3rd. Cir.,1992); see also *United States v.*
Bergonzi, 216 F.R.D. 487, 495 (N.D. Cal. 2003). The joint defense privilege "enables counsel for

1 clients facing a common litigation opponent to exchange privileged communications and attorney
2 work product in order to adequately prepare a defense without waiving either privilege." *Haines*,
3 975 F.2d at 94. The burden of establishing the attorney-client privilege and the joint defense
4 privilege "always rests upon the person asserting it." *Schwimmer* at 244.

5 Discussion

6 A. Privileged Communications

7 Rambus asserts that Hynix has not demonstrated that the documents containing
8 communications among non-lawyers are privileged attorney-client communications, and therefore
9 the documents should be produced in their entirety.² Rambus asserts that the vast majority of the
10 documents Hynix has redacted or withheld in their entirety are communications that are
11 exclusively among Hynix non-lawyers and non-lawyers from Infineon, Micron, and other
12 companies. Rambus asserts that Hynix's privilege log fails to establish that these
13 communications contain privileged attorney-client communications, and that with respect to many
14 of these documents, Hynix has not established that the document contains a communication in
15 which an attorney is involved.³ Rambus asserts that as to 49 of these documents, Hynix's log
16 does not even state that the documents contain attorney-client communications, instead describing
17 them as "reflecting" "referring to" or "referencing" legal advice or requests for legal advice, and
18 that such descriptions are, particularly in the context of communications between non-lawyers of
19 different companies, insufficient to satisfy Hynix's burden of proof.⁴ Rambus asserts that
20 whether the documents withheld by Hynix on the ground that they "refer" to or "reflect" legal
21 advice are privileged is further called into question upon review of the documents that Hynix has
22 produced in redacted form, many of constitute or pertain to technical presentations to, agendas
23 for, and meeting minutes of, ADT task groups or board meetings.⁵ Rambus asserts that it appears
24 unlikely that the redacted portions of these documents contain either confidential disclosures
25 made to an attorney in order to obtain legal advice or an attorney's advice in response to such
26 disclosures.

26 ² Goodman Decl., Exh. 13, entries 155-159, 161-166, 169, 180-182, 192-193, 206, 214, 235-237, 244, 254-255, 260,
27 263, 272-274, 280-281, 288, 290, 293, 295-299, 303-308, 312-313, 315-317 and 323-325.

28 ³ *Id.*, entries 156, 158-159, 161-166, 169, 180, 193, 255, 272-274, 293, 295-304, 306-308, 313, 315-317 and 323-
29 324.

⁴ *Id.*, entries 155-159, 161-166, 169, 180-182, 192, 214, 235-237, 244, 255, 260, 263, 272-274, 280-281, 288, 290,
293, 295-308, 312-313 and 325.

⁵ *Id.*, entries 155-158, 161-66, 180, 182, 192, 206, 214, 293 and 295-99.

1 In the alternative to order the documents produced, Rambus asserts that Hynix should be
2 required to submit these documents for *in camera* review to allow the Special Master to more
3 fully assess the validity of Hynix's privilege claims.

4 Hynix asserts that the communications exchanged between non-lawyer members of ADT
5 are privileged "because each represents group efforts made to frame further requests for legal
6 advice regarding ADT members' common legal interests and many contain legal advice already
7 rendered." Hynix asserts that although an attorney is not a direct party to them, all of the
8 communications (or redacted portions thereof) in question are privileged under the joint defense
9 doctrine because each furthers a common interest of the ADT, and because *each represents*
10 *requests for legal advice regarding that common interest and many contain actual legal advice*
11 *already rendered.* A large number of the withheld or redacted documents are communications
12 relating to Power Point presentations at ADT Meetings.⁶ Hynix asserts that many of the Power
13 Point presentations or portions thereof either represented requests for legal advice from the
14 Sughrue Firm, or contained legal advice rendered by the Sughrue firm, or both, citing paragraphs
15 5, 6 and 8-12 of the Masters declaration and entries 155, 158, 159, 161, 164-166, 180, 293, 295
16 and 296. Hynix asserts the information redacted from these documents reflects the substance of
17 legal issues set aside as requests for legal advice from the Sughrue firm or reflects legal advice
18 already tendered. Hynix asserts that there are also email communications between members of
19 ADT that, like the portions of power point presentations discussed above, either represent matters
20 specifically set aside as requests for legal advice from the Sughrue Firm, or contain legal advice
21 rendered by the Sughrue Firm, or both, citing paragraphs 15, 17, 19, 21 and 22 of the Masters
22 declaration and paragraphs 6, 7 and 11 of the supplemental Tabrizi declaration.⁷ Hynix asserts
23 that entries 157, 162, 163, 298, and 299 constitute the minutes of ADT conference calls in 2000
24 and 2002 regarding IP issues in which ADT members identified potential legal issues to be
25 addressed by the Sughrue Firm, and that the redacted portions reflect ongoing investigations
26 regarding IP issues concerning potential designs of future DRAM technologies and design and
27 patent issues specifically tabled so that the Sughrue could be consulted about them. Hynix asserts
28 that the item redacted from entry 192 is a privileged communication reflecting an ADT board
29 meeting discussion regarding the termination of the Sughrue Firm's work.

28 ⁶ Entries 155, 158, 159, 161, 164, 165, 166, 180, 181, 293, 295, 296 and 297.

29 ⁷ Entries 193, 206, 208, 235, 236, 237, 239, 240, 255, 272, 273, 274, 277, 281, 288, 290, 304, 305, 306, 307, 308,
319, 320, 323, 324, and 325.

1 Hynix asserts that Rambus's alternative request for a comprehensive *in camera* review of
2 the documents in question should be denied because Rambus has not carried its burden of
3 showing that such a review is warranted. Hynix asserts that Rambus has not set forth any factual
4 basis sufficient to support a reasonable, good faith belief that *in camera* inspection may reveal
5 evidence that information in the materials is not privileged." Hynix asserts that instead,
6 Rambus's motion is nothing more than a bald assertion that the documents may not be privileged,
and that this is not enough to justify an *in camera* review.

7 In reply, Rambus contends that Hynix has not demonstrated that the documents containing
8 communications among non-lawyers are privileged attorney-client communications. With respect
9 to the documents (or portions thereof) relating to issues that may have later been discussed with
10 attorneys,⁸ Rambus asserts that the attorney-client privilege does not shield information merely
11 because it was later discussed with or conveyed to an attorney. Rambus asserts that Hynix
12 presents no evidence that these documents: (1) were ever sent to an attorney or that they were
13 created for the purpose of obtaining legal advice; or (2) reflect communications in which ADT
14 members were seeking information from each other on behalf of an attorney, or relaying
15 confidential information to each other on behalf of an attorney. Rambus asserts that the fact that
16 the substance of these documents may have related to litigation, IP strategies, or other issues that
17 Hynix terms "legal issues" is irrelevant if the communications were not made on behalf of an
18 attorney. With respect to the communications between non-lawyer ADT members relating to
19 issues on which the Sughrue firm may have been providing legal advice to ADT,⁹ Rambus asserts
20 that Hynix fails to introduce any evidence that in these communications one party was seeking
21 confidential information from the others on behalf of its attorney, or relaying confidential
22 information to the others on behalf of its attorney. Finally, with respect to documents 192 and
23 193, Rambus asserts that Hynix makes no attempt to demonstrate that either of these documents
24 reflect communications in which ADT members were seeking information from each other on
25 behalf of an attorney or relaying confidential information to others on behalf of an attorney.
26 Rambus asserts that none of the documents are shielded from production by the attorney-client
27 privilege and must be produced.

28 ⁸ Entries 156, 157, 158, 159, 161, 162, 163, 180, 181, 182, 206, 214, 235, 236, 237, 254, 255, 272, 273, 281, 288,
29 290, 293, 295, 296, 297, 298, 299, 304, 305, 306, 307, 308 and 325.

⁹ Entries 164, 165, 166, 169, 280, 323, and 324.

1 As was noted in the April 22, 2005 Order, the threshold level of analysis is whether,
2 irrespective of any disclosures of the documents to third parties, each disputed document or
3 communication contains privileged attorney-client communications, attorney work product and/or
4 party work product. If the documents do not contain work product and/or privileged
5 communications, the analysis is over as to that document or communication.

6 "The attorney-client privilege protects confidential disclosures made by a client to an
7 attorney in order to obtain legal advice, as well as an attorney's advice in response to such
8 disclosures." *In re Grand Jury Investigation*, 974 F.2d 1068, 1070 (9th Cir.1992). The joint
9 defense privilege "covers communications between non-lawyers of multiple parties with a
10 common interest, but only if (1) one party is seeking confidential information from the other on
11 behalf of an attorney; [or] (2) one party is relaying confidential information to the other on behalf
12 of an attorney." *Beneficial Franchise Company, Inc. v. Bank One, N.A.*, 205 F.R.D. 212, 220
13 (N.D.Ill.2001)(citing *IBJ Whitehall Bank & Trust Co. v. Cory & Assoc., Inc.*, 1999 WL 617842
14 *6).

15 The burden is on Hynix to establish that the documents (or portions thereof) withheld
16 from production by Hynix contain attorney-client communications. In order to meet this burden,
17 Hynix relies upon paragraphs 6-12 of the Masters declaration and paragraphs 6, 7 and 11 of the
18 Tabrizi declaration. Mr. Tabrizi's supplemental declaration provides in pertinent part that:

19 6. Document no. 193 is an e-mail I prepared that addresses IP issues in
20 connection with ongoing litigation with Rambus, including Intel's and Micron's strategies
21 for handling patent claims by Rambus and the overall ADT strategy in connection with
22 Rambus's litigation program.

23 7. Document no. 206 is an e-mail I received from Andy Chung at Hynix that
24 has redacted an item regarding IP legal advice needed from the Sughrue firm.

25 ...
26 11. Document nos. 239, 240, 277, and 290 reflect a report from me on an ADT
27 board conference call in which we discussed designing around technology claimed by
28 Rambus in this litigation and, in that context, the future of ADT. They also reflect follow-
29 up conversations to that conference call, including my request for internal discussion at
Hynix and with Hynix's counsel, regarding these issues.

Hynix's privilege log entries, the redacted documents produced by Hynix and the
declaration evidence provided by Hynix (even including the objectionable portions of the Masters
declaration) do not establish that the documents at issue are protected from disclosure by the
attorney-client privilege. The evidence presented by Hynix fails to establish that the documents

1 or redacted portions of documents contain confidential disclosures made by a client to an attorney
2 in order to obtain legal advice, or an attorney's advice in response to such disclosures. Similarly,
3 the evidence presented does not establish any of the power point presentations or emails contain
4 communications made at Mr. Masters' request or at the request of any other attorney and does not
5 establish that the documents contain communications made for the purpose of collecting or
6 disseminating information on Mr. Masters' behalf or on behalf of any other attorney.

7 Accordingly, Hynix has not provided sufficient evidence to establish that the attorney-
8 client privilege and the joint defense privilege applies to prevent production of entries 155-159,
9 161-166, 169, 180-182, 192-193, 206, 214, 235-237, 244, 254-255, 260, 263, 272-274, 280-281,
10 288, 290, 293, 295-299, 303-308, 312-313, 315-317 and 323-325 from Exh. 13 to Goodman
11 declaration. However, the evidence presented by the parties establishes a factual basis sufficient
12 to support a reasonable, good faith belief that *in camera* inspection may reveal evidence that
13 information in the materials is or is not privileged. Hynix shall submit the documents to the
14 Special Master for an *in camera* review to determine if the documents are protected from
15 disclosure to Rambus.

16 In light of the foregoing, the motion to compel production of documents reflecting
17 communications between non-lawyers is GRANTED IN PART. Within seven days of receipt of
18 this order, Hynix shall provide the Special Master with the documents reflected in entries 155-
19 159, 161-166, 169, 180-182, 192-193, 206, 214, 235-237, 244, 254-255, 260, 263, 272-274, 280-
20 281, 288, 290, 293, 295-308, 312-313, 315-317 and 323-325 of Exhibit 13 to the Goodman
21 declaration for *in camera* review. Any additional evidence and argument regarding the
22 documents that Hynix wishes to submit also shall be provided to Special Master within seven
23 days of receipt of this order. To the extent that redacted documents have been produced, Hynix is
24 requested to provide the Special Master with a copy of both the redacted and unredacted
25 documents. Rambus may submit a response to any additional argument and/or evidence
26 submitted by Hynix no later than seven days after receipt of Hynix's further submission.

27 B. Joint Defense Privilege

28 The remaining documents at issue – entries 215, 233, 234, 243, 244, 248, 260, 263, 312,
29 313 –involve communications between Micron's in-house counsel, David Ashmore, and various
ADT members regarding draft agreements to be used with third party developers of ADT
Technology. See Hynix Opp. at 6; Tabrizi Decl. ¶¶ 9, 10.

1 Rambus contends that Hynix has not demonstrated that the documents relating to third
2 party agreements, which have been disclosed to third parties, are protected by the joint defense
3 privilege. Rambus asserts that Hynix has not demonstrated that each communication was
4 designed to further the common legal interests of ADT, which the April 22, 2005 Order defines as
5 "the scope, validity and enforceability of specific Rambus patents." See April 22, 2005 Order at
6 13 n.4.

7 Hynix asserts that documents relating to revising the ADT developers agreement and the
8 non-disclosure agreement are privileged because they were created in furtherance of ADT
9 members' common legal interests. Hynix asserts that while the Special Master has ruled that
10 members of the ADT had "a common legal interests vis-à-vis the scope validity and
11 enforceability of Rambus's patents," the holding in this regard was not limited to Rambus's
12 patents, and to the contrary, the Special Master recognized ADT's common legal interest in
13 designing around third party patents generally and "of otherwise conducting the ADT effort in a
14 manner that minimized patent and other intellectual property related risks to the developers and
15 adopters of ADT specification." Hynix asserts that entries 215, 233, 234, 244, 248, 312 and 313
16 relate to ADT's generation and revision of form agreements to be used with developers of ADT's
17 technology, as well as non-disclosure agreements. Hynix asserts that because both the developers
18 agreement and the non-disclosure agreement were made in furtherance of ADT's common legal
19 interest in minimizing patent and other intellectual property related risks to the developers and
20 adopters of ADT specification, and because each of the documents in question either contains or
21 reflects joint efforts to obtain legal advice relating to the common legal interest, the documents
22 are protected from disclosure.

23 In reply, Rambus asserts that the common litigation interest identified by the Special
24 Master was much narrower than the interest claimed by Hynix. Rambus asserts that because
25 Hynix has presented no evidence that the documents relating to draft agreements to be used with
26 third party developers were designed to further ADT's common litigation interest in the scope,
27 validity, and enforceability of Rambus's patents, those documents are not protected by the joint
28 defense privilege and therefore should be produced.

29 As noted in the April 22, 2005 Order, once a document or communication is found to be
within either the attorney-client privilege or work product doctrine, the next level of analysis is
whether the document, although disclosed to third parties, remains privileged from disclosure.

1 Hynix relies upon the joint defense privilege to avoid the general rule that the attorney-client
2 privilege is waived when privileged information is disclosed to a third party. In order to establish
3 the application of the joint defense privilege, Hynix must establish that: (1) the document or
4 communication is within the attorney-client privilege or work product doctrine (2) was made in
5 the course of a joint defense effort; (3) the statements were designed to further the joint defense
6 effort and (4) the attorney-client privilege or work product doctrine has not been otherwise
7 waived.

8 The burden is on Hynix to establish the application of the joint defense privilege to these
9 documents. In order to meet this burden, Hynix relies upon the supplemental Tabrizi declaration,
10 which provides in pertinent part that:

11 8. Document no. 214 is a string of e-mails I forwarded to Hynix's ADT team
12 reflecting items ADT set aside for consideration and the provision to the group of legal
13 advice by Micron's in-house counsel, David Ashmore. The forwarded e-mail, from Terry
14 Lee at Micron, also discusses the ending of Sughrue's representation of ADT.

15 9. Document nos. 215 and 243 are e-mails I received attaching a draft non-
16 disclosure agreement prepared by Mr. Ashmore, seeking Hynix's assent to Mr. Ashmore's
17 legal advice regarding that contract. Document nos. 260 and 263 constitute ADT
18 members' exchange of e-mail discussing the substance of that non-disclosure agreement in
19 the context of Mr. Ashmore's legal advice.

20 10. In June 2001 the ADT board decided to amend the form of agreement ADT
21 would use with the developers of its technologies. This effort was headed up by Mr.
22 Ashmore, and ADT, including Hynix, relied on Mr. Ashmore's legal advice regarding the
23 agreement. Document nos. 233, 234, 244, and 248 reflect Mr. Ashmore's legal advice in
24 this regard and his discussion with ADT members. Document nos. 312 and 313 reflect
25 ADT members' discussion of the need for a revised developer's agreement in anticipation
26 of receiving legal advice to prepare the new agreement draft.

27 In the April 22, 2005 Order, the Special Master summarized portions of the ADT
28 agreement, including the statement wherein the parties recognized that they had a common
29 interest in studying the claims of certain U.S. Patents so that they could assess the scope and
30 potential applicability of such claims and the viability of an effective design-around of the
31 analyzed claims, and of otherwise conducting the ADT specification joint development effort in a
32 manner that minimizes patent and other intellectual property related risks to both the developers
33 and adopters of the ADT specification. April 22, 2005 Order at 4. In connection with Rambus's
34 prior motion, Hynix argued that it had common legal interests with the members of ADT, and that
35 as result, its communications with the members of these groups regarding those interests are

1 protected from disclosure. *Id.* at 13 n.4. Rambus asserted that while Hynix had established
2 common commercial interests with respect to ADT, Hynix had not established the existence of a
3 common litigation interest. *Id.* The order provides that:

4 The evidence presented to the Special Master, including the joint defense
5 agreements, clearly establishes that during the period covered by the documents at issue,
6 the members of ADT ..., including Hynix and Micron, had common legal interests vis-à-
7 vis the scope, validity and enforceability of specific Rambus's patents. The presence of
8 these common legal interests, however, does not render each of the disputed documents
9 protected from disclosure to Rambus.

10 Contrary to Hynix's current assertion, the April 22, 2005 Order did not conclude that the
11 members of ADT had a common *legal* interest "of otherwise conducting the ADT specification
12 joint development effort in a manner that minimizes patent and other intellectual property related
13 risks to both the develops and adopters of the ADT specification." The Order limits the common
14 *legal* interest of the ADT members to the scope, validity and enforceability of specific Rambus's
15 patents.

16 Hynix asserts that the documents at issue relate to ADT's generation and revision of form
17 agreements to be used with developers of ADT's technology, as well as non-disclosure
18 agreements. The evidence presented does not compel the conclusion that the developers
19 agreement and the non-disclosure agreement were made in furtherance of ADT's common legal
20 interest, and thus the evidence presented does not establish that each of the documents in question
21 either contains, or reflects joint efforts to obtain, legal advice relating to the common legal
22 interest. Therefore, Hynix has failed to establish that the documents should be protected from
23 disclosure to Rambus.

24 Accordingly, Hynix has not provided sufficient evidence to establish that the joint defense
25 privilege applies to prevent production of entries 215, 233, 234, 243, 244, 248, 260, 263, 312 and
26 313 from Exh. 13 to Goodman declaration. However, the evidence presented by the parties
27 establishes a factual basis sufficient to support a reasonable, good faith belief that *in camera*
28 inspection may reveal evidence that information in the materials is or is not privileged. Hynix
29 shall submit the documents to Special Master for an *in camera* review to determine if the
documents are protected from disclosure to Rambus.

 In light of the foregoing, the motion to compel production of documents related to revising
the ADT developers agreement and the non-disclosure agreement is GRANTED IN PART.

1 Within seven days of receipt of this order, Hynix shall provide the Special Master with the
2 documents reflected in entries 215, 233, 234, 243 and 248 of Exhibit 13 to the Goodman
3 declaration for *in camera* review.¹⁰

4 C. Entries 239, 240, 277, 319 and 320

5 Rambus' motion asserts that five additional documents/entries (nos. 239, 240, 277, 319
6 and 320) were included in the motion and were listed on Exhibit 13, and that these entries should
7 be ordered produced. See Motion at 4. Entries 239, 240, 277, 319 and 320, however, are not
8 included on Exhibit 13, and Rambus' motion otherwise fails to address these entries. Rambus'
9 reply papers likewise do not mention these five entries. Accordingly, the motion to compel
10 production of entries 239, 240, 277, 319 and 320 is DENIED.

11 D. Entries 300-302

12 Rambus' motion also sought production of entries 300-302. See Motion at 4. In
13 opposition to the motion, Hynix states that these documents were in the process of being
14 produced. Opposition at 7 n.2. Rambus' reply, in listing the entries at issue, does not include
15 entries 300-302. For this reason, Rambus' motion to compel production of entries 300-302 is
16 DENIED.

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28 ¹⁰ Entries 244, 260, 263, 312 and 313 were ordered produced for *in camera* review in connection with the discussion
29 at pages 12-16 of this order of whether certain documents, including entries 244, 260, 263, 312 and 313, contain
attorney-client communications.

Order

For the reasons set forth above,

1. The motion to compel production of entries 239, 240, 277, 300-302, 319 and 320 listed in Exh. 13 to the Goodman declaration is denied.
2. The motion to compel production of entries 155-159, 161-166, 169, 180-182, 192-193, 206, 214-215, 233-237, 243-244, 248, 254-255, 260, 263, 272-274, 280-281, 288, 290, 293, 295-299, 303-308, 312-313, 315-317 and 323-325 listed in Exh. 13 to the Goodman declaration is granted in part. Within seven days of receipt of this order, Hynix shall provide the Special Master with these entries for *in camera* review. Any additional evidence and argument regarding the documents that Hynix wishes to submit also likewise shall be provided to Special Master within seven days of receipt of this order. To the extent that redacted documents have been produced, Hynix is requested to provide the Special Master with a copy of both the redacted and unredacted documents. Rambus may submit a response to any additional argument and/or evidence submitted by Hynix no later than seven days after receipt of Hynix's further submission.
2. Counsel for Rambus shall file this order and serve opposing counsel and the court with filed-endorsed copies. Counsel for Rambus shall ensure that prior to filing, any and all appropriate measures are taken to avoid disclosure of confidential information.

IT IS SO ORDERED.

Dated: 9/6/2005



Hon. Read Ambler (Ret.)
Special Master

Exhibit 4

Order Re *In Camera* Review of Documents Submitted Pursuant to October 19, 2004 Order filed on February 16, 2005 in *Hynix Semiconductor Inc., et al. v. Rambus Inc.*, No. CV 00-20905 RMW (N.D. Cal. 2000).

Hon. Read Ambler (Ret.)
State Bar No. 44156
JAMS
160 West Santa Clara Street
Suite 1150
San Jose, California 95113
(408) 288-2240
Fax (408) 295-5267

Special Master

NOT FOR CITATION
UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

HYNIX SEMICONDUCTOR, INC.,
HYNIX SEMICONDUCTOR AMERICA,
INC., HYNIX SEMICONDUCTOR U.K.
LTD., and HYNIX SEMICONDUCTOR
DEUTSCHLAND GgmbH,

Plaintiffs,

vs.

RAMBUS, INC.,

Defendant.

AND RELATED CROSS ACTIONS.

Case No. CV 00-20905 RMW

**ORDER¹ RE *IN CAMERA* REVIEW OF
DOCUMENTS SUBMITTED
PURSUANT TO OCTOBER 19, 2004
ORDER**

Court: Hon. Read Ambler (Ret.)
Place: JAMS
160 West Santa Clara St.
Suite 1150
San Jose, California 95113

Rambus, Inc. ("Rambus") has filed a motion to compel Hynix Semiconductor, Inc., Hynix Semiconductor America, Inc., Hynix Semiconductor U.K. LTD., and Hynix Semiconductor Deutschland GmbH (collectively "Hynix") to produce all documents withheld on the basis of a "joint defense" privilege. Hynix's revised privilege logs ("the privilege logs") identify 153

¹ This disposition is not appropriate for publication and may not be cited.

1 responsive documents withheld on the basis of the joint defense privilege, the attorney-client
2 privilege and/or the work product doctrine. See Luedtke Decl., Exh. T. Of the 153 documents,
3 Hynix withheld twenty-three documents solely on the basis of the joint defense privilege. *Id.* As
4 to the remaining 130 documents, Hynix asserts the attorney-client privilege and/or work product
5 doctrine in addition to Hynix's assertion of the both the joint defense privilege. The motion was
6 heard on October 4, 2004. On October 19, 2004, the Special Master issued an order granting in
7 part Rambus' motion to compel production of documents reflecting communications between
8 Hynix and third parties and communications between Hynix employees. The Order required
9 Hynix to provide the Special Master with specific documents from Hynix's privilege logs for *in*
10 *camera* review to determine if the documents withheld from production on the basis of the joint
11 defense privilege were in fact protected from disclosure to Rambus. Rambus' motion to compel
12 Hynix to produce joint defense agreements related to its assertion of the joint defense privilege
13 was also granted in part. Hynix also was ordered to produce any joint defense agreements to the
14 Special Master for *in camera* review. Subsequent thereto, the Special Master granted Hynix's
15 request for a temporary stay to appeal this portion of the Order. The appeal was unsuccessful.
(See Judge Whyte's Order on Hynix's Objections to Discovery Master's October 19, 2005 Order
16 re Privilege Logs, filed December 30, 2005.)

17 On October 29, 2004, Hynix submitted two joint defense agreements to the Special
18 Master.² Concurrent therewith, Hynix requested that the Special Master reconsider that portion of
19 the Order requiring Hynix to produce for *in camera* review documents the reflecting
20 communications between Hynix and third parties and communications between Hynix employees.
21 On November 1, 2004, Rambus submitted an opposition to Hynix's request. On November 2,
22 2004, Hynix's motion for reconsideration was denied. On November 10, 2004, Hynix provided
23 Rambus with a supplemental privilege log that includes additional documents, never previously
24 disclosed, that Hynix contends are protected from disclosure by a joint defense privilege.

25 On November 19, 2004, Hynix submitted to the Special Master for *in camera* review the
26 documents which were the subject of the October 19, 2004 order. The documents were submitted
27

28 ² The JRA group joint representation agreement apparently is encompassed by entries 141, 142, 149 and 151 to Exh.
29 T. The ADT joint representation agreement was not included by Hynix in its original privilege logs, but was listed in
a supplemental privilege log provided to Rambus by Hynix.

1 in a binder with tab numbers that correspond to Exhibit T to the Luedtke declaration.³ On
2 November 22, 2004, Rambus submitted a letter to the Special Master requesting that Hynix be
3 ordered to immediately produce to Rambus the joint defense agreements previously provided by
4 Hynix to the Special Master. Rambus further asserts that: (1) all of the documents on the
5 supplemental privilege log must be immediately produced to the Special Master; and (2) with
6 respect to the documents already submitted for *in camera* review, if the document reflects any
7 anti-competitive conduct, they are not privilege both because they relate to commercial rather
8 than litigation interests and because they fall within the crime-fraud exception to claims of
9 privilege. Hynix responded to Rambus' letter on November 23, 2004. On November 24, 2004,
10 Micron Technology submitted a letter to the Special Master asserting that the documents at issue
11 in the October 19, 2004 order should not be produced to Rambus. The Special Master has
12 considered the papers and the arguments of counsel.

13 Background

14 In December 1999, six companies from the DRAM industry [Infineon, NEC (now Elpida),
15 Samsung, Intel, Hynix and Micron] formed the Advanced Dram Technology consortium
16 ("ADT"). The member companies formed ADT as a vehicle for the cooperative development of
17 future DRAM technologies.

18 On January 18 and March 23, 2000, Rambus initiated a number of patent infringement
19 lawsuits against Hitachi. Rambus alleged that Hitachi's SDRAMs and DDR DRAMs infringed a
20 number of Rambus' patents. Hitachi attempted to join all other DRAM companies, including
21 Hynix, arguing that Rambus' claims applied to everyone selling DRAMs. The other DRAM
22 companies opposed the motion, which was denied. Hynix and Micron's Chief Counsel believed
23 that the Rambus/Hitachi lawsuits demonstrated that Rambus would enforce its patents against
24 other manufacturers of DDR DRAMs and SDRAMs, including Hynix and Micron. Westergard
25 Decl., ¶ 4; Amended Conf. Brown Decl., ¶2.

26 In March and April 2000, the members of ADT executed a Joint Representation/Common
27 Interest Agreement ("the ADT agreement"). The effective date of the ADT agreement is March
28 1, 2000. The recitals of the ADT agreement begin by noting the parties intended to jointly
29 develop a next generation memory interface technology specification. ADT Agreement, Section

³ Entries 133-137 were too large to include in the binder and were provided in a separate box.

1 A (1). The parties recognized that they had a common interest in studying the claims of certain
2 U.S. Patents so that they could assess the scope and potential applicability of such claims and the
3 viability of an effective design-around of the analyzed claims, and of otherwise conducting the
4 ADT specification joint development effort in a manner that minimizes patent and other
5 intellectual property related risks to both the develops and adopters of the ADT specification.
6 ("the Common Interest"). *Id.* In order to further their common interest, the agreement states that
7 the parties "desire to share certain information on a confidential basis, and to employ to the extent
8 available under applicable law, all of the protections of the attorney-client privilege, attorney
9 work product and joint defense or common interest privileges." *Id.*, Section A(3).

10 The parties agreed to retain the Sughrue Law Firm ("Sughrue" or "the Firm") "to
11 represent the Parties and engage in the following work (the "Privileged Advice") in furtherance of
12 the Common Interest of the Parties:

- 13 a. The Firm shall conduct an analysis of certain patents identified by agreement of
14 the Parties. This analysis, at a minimum, will include review of all independent
15 claims and file wrapper history of each identified patent (the "Analyzed Claims")
16 to the determine the scope and potential applicability of the claims.
- 17 b. The Firm will provide a written report which includes a description of the
18 Analyzed Claims, and which may include an identification of prosecution history
19 estoppel created with respect to certain claim language that may be helpful in
20 achieving an effective design-around of any applicable Analyzed Claims.
- 21 c. The Firm will prepare appropriate guidelines for the Parties to follow in their joint
22 development effort that will be aimed at minimizing exposure of the Parties to
23 patent or other intellectual property related risks.

24 ADT Agreement, Section B(1.1). The parties agreed to keep the Privileged Advice confidential
25 to maintain its status as attorney-client privileged material. *Id.*, Section B(2.2). The parties
26 further agreed to exchange such information, documents, communications and tangible things
27 among themselves and the Firm as may be useful in furtherance of the Common Interest. *Id.*,
28 Section B (3.1). All information, documents, communications or tangible things exchanged
29 among the parties and the Firm in furtherance of the Common Interest is subject to the attorney-
client privilege and/or work product doctrine. *Id.*, Section B(3.3). Robert Masters was the lead
lawyer for the Sughrue firm regarding its joint representation of ADT. The members of ADT
jointly retained the Sughrue firm to evaluate the activities of ADT in light of existing Rambus
patents, i.e., in anticipation of possible litigation with Rambus. Amended Conf. Brown Decl., ¶ 3.

1 A Joint Representation/Common Interest Agreement for the JRA Group was also provided
2 to the Special Master. Hynix's attorney, Theodore Brown, states that the purpose of the JRA
3 group was to study and share information on the Rambus Patent family and prior art related to the
4 DRAM lawsuits and in license negotiations. Amended Conf. Brown Decl. ¶ 4. The "JRA"
5 Agreement states that it is made by the "undersigned parties." Hyundai is the only signatory to
6 the Agreement provided to the Special Master. Outside of references to the "a Party" or "the
7 parties," the Agreement does not otherwise define the "undersigned parties." Hynix nonetheless
8 offers testimony that Hynix, Micron, Infineon, AMD, Intel, Transmeta, ATI, nVidia and
9 Samsung were all members of the JRA group. Amended Brown Conf. Decl., ¶ 4.

10 Section A(1) of the JRA Agreement states that the parties have a common interest in
11 assessing the validity and enforceability of claims of certain U.S. patents purportedly owned by
12 Rambus ("the Common Interest"). To further the Common Interest, the parties agreed to retain
13 the Sughrue Law Firm to represent the parties and agreed that the Firm would conduct a validity
14 and enforceability analysis of certain Rambus patents identified by the Parties. Section B(1.1).
15 The JRA agreement, signed by Hyundai on August 10, 2000, has an effective date of July 24,
16 2000. In August 2000, Rambus initiated a patent infringement action against Infineon.

17 Legal Standard

18 *a. Attorney-Client Privilege*

19 "The attorney-client privilege protects confidential disclosures made by a client to an
20 attorney in order to obtain legal advice, as well as an attorney's advice in response to such
21 disclosures." *In re Grand Jury Investigation*, 974 F.2d 1068, 1070 (9th Cir.1992); *see also In re*
22 *Six Grand Jury Witnesses*, 979 F.2d 939, 944 (2d Cir.1992). The attorney-client privilege applies
23 when "necessary to achieve its limited purpose of encouraging full and frank disclosure by the
24 client to his or her attorney." *Clarke v. American Commerce Nat'l Bank*, 974 F.2d 127, 129 (9th
25 Cir. 1992). "The relationship of attorney and client, a communication by the client relating to the
26 subject matter upon which professional advice is sought, and the confidentiality of the expression
27 for which the protection is claimed, all must be established in order for the privilege to attach."
28 *U.S. v. Schwimmer*, 892 F.2d 237, 243 (2nd. Cir.1989). When the propriety of the privilege is
29 disputed, then courts must resort to *in camera* inspection to determine what documents if any are
protected. *In re Grand Jury Investigation*, 974 F.2d 1068, 1075 (9th Cir.1992).

b. Work Product Doctrine

Fed. R. Civ. P. 26(b)(3) provides that:

Subject to the provisions of subdivision (b)(4) of this rule, a party may obtain discovery of documents and tangible things otherwise discoverable under subdivision (b)(1) of this rule and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative (including the other party's attorney, consultant, surety, indemnitor, insurer, or agent) only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

"Work product protection is designed to preserve the privacy of attorneys' thought processes, and to prevent parties from borrowing the wits of their adversaries." Schwarzer, Tashima & Wagstaffe, *Federal Civil Procedure before Trial*, ¶ 11:39 (2002)(citing *Hickman v. Taylor*, 329 U.S. 495, 511 (1947) and *Holmgren v. State Farm Mut. Auto. Ins. Co.*, 976 F.2d 573, 576 (9th Cir.1992)). "Work product may include documents prepared by a party, as well as by the party's attorney." *U.S. ex rel. Bagley v. TRW, Inc.*, 212 F.R.D. 554, 559 (C.D.Cal.2003), citing *Admiral Ins. Co. v. U.S. Dist. Court for Dist. of Arizona*, 881 F.2d 1486, 1494 (9th Cir.1989) ["The work-product rule is not a privilege but a qualified immunity protecting from discovery documents and tangible things prepared by a party or his representative in anticipation of litigation," citing (Fed.R.Civ.P. 26(b)(3)). Rule 26(b)(3) distinguishes between "opinion" work product, which consists of the "mental impressions, conclusions, or legal theories of an attorney or other representative of a party," and "ordinary" or "factual" work product, which consists of factual material prepared in anticipation of litigation or trial." *Bagley* at 559. "Ordinary work product is discoverable upon a showing of 'substantial need' and 'undue hardship.'" *Id.* Absent a waiver, opinion work product enjoys nearly absolute protection and is discoverable only in "rare and extraordinary circumstances," while ordinary work product is discoverable upon a showing of "substantial need" and "undue hardship." *Id.* (citations omitted.) "The work product doctrine does not protect materials assembled in the ordinary course of business." *Griffith v. Davis*, 161 F.R.D. 687, 698 (C.D.Cal.,1995). "Rather, the primary motivating purpose behind the creation of the materials must be as an aid in possible future litigation." *Id.*

1 "Work product protection is waived where disclosure of the otherwise privileged
2 documents is made to a third party, and that disclosure enables an adversary to gain access to the
3 information." *United States v. Bergonzi*, 216 F.R.D. 487, 497 (N.D. Cal. 2003). Disclosure to a
4 third party does not waive work product protection where the third party shares a common interest
5 with the disclosing party which is adverse to that of the party seeking discovery. *Minnesota*
6 *School Boards Association Ins. Trust v. Employers Ins. Co. of Wausau*, 183 F.R.D. 627, 631 (ND
IL 1999).

7 *c. Joint Defense "Privilege"*

8 The common-interest doctrine is not an independent basis for privilege, but an exception
9 to the general rule... (of waiver) when privileged information is disclosed to a third party."
10 *Cavallaro v. U.S.*, 284 F.3d 236, 250 (1st Cir.,2002). "Even where a common interest exists, that
11 alone does not create a privilege; it merely extends a recognized privilege, commonly the
12 attorney-client or work product privileges, to cover those communications to parties with the
13 common interest." *Power Mosfet Technologies v. Siemens AG*, 206 F.R.D. 422, 424 (E.D. Tex.
14 2000). "The common interest doctrine is an extension of the attorney-client privilege and the
15 work product doctrine, and applies "only if the other conditions of those privileges are satisfied."
16 *Griffith* at 691. *And see, United States v. Henke*, 222 F.3d at p. 637 [construing joint defense
17 privilege as giving rise to attorney-client relationship between one party and counsel representing
another party who shares common interest].)

18 "The joint defense privilege, more properly identified as the "common interest rule," has
19 been described as "an extension of the attorney client privilege." *Schwimmer*, 892 F.2d at 243,
20 citing *Waller v. Financial Corp. of Am.*, 828 F.2d 579, 583 n. 7 (9th Cir.1987). As noted *supra*, it
21 may also be an extension of the work product rule. When the attorney client privilege underlies
22 the joint defense privilege, it:

23 ...serves to protect the confidentiality of communications passing from one party to the
24 attorney for another party where a joint defense effort or strategy has been decided upon
25 and undertaken by the parties and their respective counsel. Only those communications
26 made in the course of an ongoing common enterprise and intended to further the enterprise
27 are protected. The need to protect the free flow of information from client to attorney
28 logically exists whenever multiple clients share a common interest about a legal matter,
29 and it is therefore unnecessary that there be actual litigation in progress for the common
interest rule of the attorney-client privilege to apply. Neither is it necessary for the
attorney representing the communicating party to be present when the communication is
made to the other party's attorney.

1 *Id.* at 243-244 (citations and quotations omitted). The joint defense privilege "qualifies the
2 requirement that a communication be made in confidence, and prevents waiver of the privilege to
3 the extent confidential communications are shared between members of a joint defense." *Griffith*,
4 *supra*, 161 F.R.D. at 692. "Thus, the existence of a joint defense allows the parties and counsel
5 involved in that defense to disclose privileged information to each other without destroying the
6 privileged nature of those communications." *Id.*

7 "The privilege does not require a complete unity of interests among the participants, and it
8 may apply where the parties' interests are adverse in substantial respects." *United States v.*
9 *Bergonzi*, 216 F.R.D. 487, 495 (N.D. Cal. 2003)(citation omitted). The existence of a common
10 business or commercial interest is not sufficient to justify application of the privilege; instead, the
11 common interest must relate to a litigation interest. *Beneficial Franchise Company, Inc. v. Bank*
12 *One, N.A.*, 205 F.R.D. 212, 216 (N.D. Ill. 2001).

13 "In order to establish the existence of a joint defense privilege, the party asserting the
14 privilege must show that (1) the communications were made in the course of a joint defense
15 effort, (2) the statements were designed to further the effort and (3) the privilege has not been
16 waived." *Haines v. Liggett Group Inc.*, 975 F.2d 81, 94 (3rd. Cir., 1992); see also *United States v.*
17 *Bergonzi*, 216 F.R.D. 487, 495 (N.D. Cal. 2003). The joint defense privilege "enables counsel for
18 clients facing a common litigation opponent to exchange privileged communications and attorney
19 work product in order to adequately prepare a defense without waiving either privilege." *Haines*,
20 975 F.2d at 94. The burden of establishing the attorney-client privilege and the joint defense
21 privilege "always rests upon the person asserting it." *Schwimmer* at 244.

22 In *Bank Brussels Lambert v. Credit Lyonnais (Suisse) S.A.*, 160 F.R.D. 437
23 (S.D.N.Y. 1995), Bank Brussels Lambert (BBL), a member of a banking consortium, circulated a
24 letter from its attorney among other members of the group. The letter concerned the viability of a
25 potential transaction, and one of the issues addressed in that letter was possible litigation." *Id.* at
26 448. When the consortium subsequently brought suit, the defendants tried to obtain the letter,
27 claiming that its disclosure to the other banks constituted a waiver of attorney-client privilege.
28 BBL argued that the disclosure fell under the common interest rule. The court held that the letter
29 was not privileged because "the common interest doctrine does not encompass a joint business
strategy which happens to include as one of its elements a concern about litigation." *Id.* at 447.

1 The court then went on to discuss the factors supporting its conclusion that the banks had no
2 common legal strategy:

3 Coudert Brothers [the BBL counsel who wrote the letter] ... represented only BBL and
4 was not retained to represent the Bank Group as a whole or any of its other members. Nor
5 is there any suggestion that counsel from that firm coordinated its legal efforts with
6 attorneys for any other Bank Group member. Indeed, there is no indication that counsel
7 were even present at the meeting where representatives of the Bank Group reviewed the
8 Coudert Letter.

9 *Id.* at 448.

10 In *SCM Corp. v. Xerox Corp.*, 70 F.R.D. 508 (D.Conn.1976), the court applied the
11 common interest rule in, *inter alia*, two different business contexts. Xerox claimed that the
12 common interest rule protected from discovery the proceedings of a patent committee, which
13 comprised an individual named Chester Carlson and representatives of Xerox and the Battelle
14 Memorial Institute. The purpose of the committee was to consider the patent structure for
15 xerography patents. In this context, the court held that the common interest rule did apply:

16 Chester Carlson, Battelle, and Xerox shared a business interest in the successful
17 exploitation of certain patents. Whether the legal advice was focused on pending litigation
18 or on developing a patent program that would afford maximum protection, the privilege
19 should not be denied when the common interest is clear. In this setting of joint analysis
20 and cooperative study, the three parties' common interest in patent protection
21 predominated.

22 *Id.* at 514 (citations omitted). A Xerox executive also claimed a privilege in regard to deposition
23 questions that would have forced him to reveal legal advice passed on to him by another
24 executive. In this context, the court ruled that "[a] privileged communication should not lose its
25 protection if an executive relays legal advice to another who shares responsibility for the subject
26 matter underlying the consultation." *Id.* at 518.

27 Discussion

28 The Referee has conducted a review of the disputed documents to determine whether the
29 documents are privileged from disclosure to Rambus.⁴ The threshold level of analysis is whether,
irrespective of any disclosures of the documents to third parties, each disputed document or
communication contains privileged attorney-client communications, attorney work product and/or

⁴ The entries on Exhibit T to the Luedtke declaration submitted for in camera review are: 1-30, 32-35, 37, 42-43, 54-59, 61-70, 73-76, 83, 85-88, 90-91, 93, 114, 122 and 125-153

1 party work product. If the documents do not contain work product and/or privileged
2 communications, the analysis is over as to that document or communication.

3 Once a document or communication is found to be within either the attorney-client
4 privilege or work product doctrine, the next level of analysis is whether the document, although
5 disclosed to third parties, remains privileged from disclosure. Hynix relies upon the joint defense
6 privilege to avoid the general rule that the attorney-client privilege or work product protection is
7 waived when privileged information is disclosed to a third party. In order to establish the
8 application of the joint defense privilege, Hynix must establish that: (1) the document or
9 communication is within the attorney-client privilege or work product doctrine (2) was made in
10 the course of a joint defense effort;⁵ (3) the statements were designed to further the joint defense
11 effort and (4) the attorney-client privilege or work product doctrine has not been otherwise
12 waived.

13 *Joint Representation Agreements*

14 Hynix contends that the ADT and JRA joint defense agreements are privileged. Rambus
15 asserts that any joint defense agreements are not privileged and must be produced.

16 In *Power Mosfet Technologies v. Siemens AG*, 206 F.R.D. 422 (E.D.Tex.,2000), the
17 defendants asserted a privilege due to a joint defense agreement. The defendants had failed to
18 produce the joint defense agreement to the plaintiffs. In a footnote, the court stated that:

19 This would have been the proper thing to do. The party claiming the privilege has the
20 burden of proof that it exists, the agreement proves to the adverse party exactly who the
21 participants are. The claim that the agreement itself is work product is without merit. The
22 agreement does nothing to reveal counsel's mental impressions or thought processes, and
23 the substantial need is fulfilled by the requirement of proving the privilege. Judicial
24 economy is thus best served by producing the document. When the propriety of the
25 privilege is disputed, then courts must resort to *in camera* inspection to determine what
26 documents if any are protected.

27 ⁵ Hynix contends that it has common legal interests with the members of ADT and the JRA group, and that as
28 result, its communications with the members of these groups regarding those interests are protected from disclosure.
29 Rambus asserts that while Hynix has established common commercial interests with respect to ADT and the JRA
group [develop DRAM technologies and to share information for purposes of licenses negotiations], Hynix has not
established the existence of a common litigation interest.

The evidence presented to the Special Master, including the joint defense agreements, clearly establishes that the
members of ADT and the JRA group, including Hynix and Micron, had common legal interests vis-à-vis the scope,
validity and enforceability of specific Rambus' patents. The presence of these common legal interests, however, does
not render each of the disputed documents protected from disclosure to Rambus.

1 *Id.* at 426, n. 12. At a hearing, the Court ordered the defendants to produce the joint defense
2 agreement for *in camera* inspection. *Id.* at 426.

3 Hynix relies upon a single statement in *United States v. Bicoastal Corp.*, Case No. 92-CR-
4 261, 1992 U.S. Dist. LEXIS 21445 (N.D.N.Y. Sept. 28, 1992), and two other cases that cite
5 *Bicoastal*, for the proposition that even "the disclosure of the existence of [a joint defense]
6 agreement would be an improper intrusion into the preparation of the defendants' case." *Id.*, at
7 *18.

8 In *U.S. v. Hsia*, 81 F.Supp.2d 7 (D.D.C. 2000), the defendant maintained that both the
9 existence of a joint defense agreement and its terms were privileged matters. The defendant cited
10 three cases to support the assertion, including *United States v. Bicoastal Corp.*, *supra*. The court
11 stated that:

12 As the government has pointed out, two of these cases are decisions by magistrate judges
13 in other jurisdictions and the third is an unreported New York State Supreme Court
14 decision, only a summary and excerpt of which have been provided by counsel. The facts
15 in the cited cases are very different from those here, and none of the decisions contains
16 any analysis; indeed, the court in *A.I. Credit* merely cited *Bicoastal* without discussion.
17 These decisions do not convince this Court that either the existence or the terms of a [joint
18 defense agreement] are privileged.

19 *Id.* at 11, n.3.

20 In *U.S. v. Stepney*, 246 F.Supp.2d 1069 (N.D.Cal.,2003), Judge Patel was confronted with
21 the question of whether to disclose joint defense agreements to the prosecution. The court stated
22 that:

23 To the extent that joint defense agreements simply set forth the existence of attorney-client
24 relationships--implied or otherwise--between various attorneys and defendants, the
25 contents of such agreements do not fall within the attorney-client privilege. *United States*
26 *v. Bauer*, 132 F.3d 504, 508-09 (9th Cir.1997) (attorney-client privilege does not cover the
27 identity of an attorney's client); *see also Hsia*, 81 F.Supp.2d at 11 n. 3 (expressing doubt
28 that "either the existence or the terms of a [joint defense agreement] are privileged"). The
29 court has nonetheless conducted its inquiry into joint defense agreements *in camera* in
order to avoid offering the prosecution any hint of defense strategies.

Id. at 1078.

30 The Referee has conducted a review of the joint representation agreements. While the
31 agreements amongst the members set forth a common legal interest among the parties thereto, the
32 existence and content of the agreements do not fall within the scope of the attorney-client

1 privilege or work product doctrine. As noted in the October 19, 2004 order, the weight of the
2 legal authority suggests that joint defense agreements do not contain confidential communications
3 and are not privileged from disclosure. The motion to compel Hynix to produce the ADT and
4 JRA joint defense agreements is GRANTED.

5 *Entries 2,⁶ 130, 132 and 134-153.*

6 There are twenty-three communications for which Hynix asserts only the joint defense
7 privilege. See entries 2, 130, 132 and 134-153. Rambus asserts that because the joint defense
8 privilege is not a stand-alone privilege, communications for which joint defense is the sole claim
9 of privilege must be produced. As noted above, Hynix disagrees and asserts it would be
10 redundant to list "AC" automatically whenever "JD" is listed on a log.

11 In certain instances, the joint defense privilege protects otherwise privileged
12 communications from disclosure. The assertion of the joint defense privilege, without
13 explanation of the underlying privilege, is insufficient. The Special Master, however, will not
14 treat Hynix's failure to identify the underlying privilege supporting the assertion of the joint
15 defense privilege as grounds to compel production of the documents. Hynix, however, shall
16 provide Rambus with a revised privilege log providing the underlying basis for its assertion of the
17 joint defense privilege.

18 *Entries 3, 10, 24, 26, 59, 61 - 68, 93, 122, 126 and 131*

19 Entries 3, 10, 24, 26, 59, 61 - 68, 93, 122, 126 and 131⁷ each claim work product
20 protection and the joint defense privilege where no attorney is an author or recipient of the
21 document. Hynix asserts that the description of each of these entries states that each constitutes
22 work product prepared "in connection with potential litigation." Hynix asserts that each
23 document was prepared in the summer of 2000, following Rambus' litigation against another
24 DRAM manufacturer, Hitachi, and immediately preceding the filing of this action. Hynix asserts
25 that it appeared to Hynix and its counsel that Rambus' actions against Hitachi showed Rambus
26 was purporting to assert intellectual property rights to JEDEC standards. Accordingly, Hynix
27 asserts that each of these communications among Hynix executives was made in anticipation of

28 ⁶ Hynix has withdrawn its separate claim of attorney-client privilege and work product for entry 2 but retained its
29 joint defense privilege objection.

⁷ Hynix has withdrawn its joint defense doctrine objection for entry 131, but retains its work product objection.

1 this action with Rambus, and is protected party work product. The Amended Conf. Brown Decl.
2 provides in pertinent part that:

3 5. There are a number of entries on Hynix's privilege logs, challenged by
4 Rambus in this motion, that do not list attorneys as participating in the subject
5 communication. Nevertheless, those documents should be protected from disclosure
6 because (a) they each contain confidential information not disclosed beyond the listed
7 recipients and counsel and (b) because they either (i) pass on legal advice from counsel,
8 (ii) constitute party work product or (iii) are communications between clients in a joint
9 defense situation. In particular:

10 a. Entries 3, 26, 59, 61 - 67, 126 and 130 constitute the sharing of party work
11 product and communications between and among executives of members of ADT and
12 JRA. The communications were made in furtherance of their joint defense and common
13 interest in the context of analyzing Rambus' patents, related prior art, and other issues
14 arising from Rambus' threats to sue JEDEC members over their use of JEDEC standard
15 technology. Again, this was at a time when Rambus had already sued Hitachi over the
16 same issue. ADT and JRA were represented by the Sughrue firm at that time.
17 Additionally, my firm, Ed Chung, an attorney with St. Clair Intellectual Property
18 Consultants, who has advised Hynix for many years, and Hynix in-house counsel I.H.
19 Chun, James Kim and Y.K. Cho were actively advising Hynix on the threatened litigation
20 and Hynix executives, including those listed in these entries, were actively participating in
21 pre-litigation strategy planning and otherwise analyzing and preparing to respond to
22 Rambus' threats.

23 b. Entries 10, 24, 68, 93 and 122 constitute the sharing of party work product
24 and communications between and among executives of Hynix, both in furtherance of
25 Hynix's response to Rambus' patent license demands and potential litigation with Hynix
26 and of the joint defense of members of ADT and JRA. Again, these communications were
27 at a time when Rambus had already sued Hitachi, ADT and JRA were analyzing Rambus'
28 intellectual property claims, and Hynix was receiving advice and providing work product
29 in that regard to the Sughrue firm, my firm, and to in-house Hynix attorneys including
Y.K. Cho, James Kim and I.H. Chun.

30 Rambus asserts that Hynix improperly has claimed work product protection for
31 communications between non-lawyers. Rambus asserts that Hynix's argument misapprehends
32 the purpose of the "work product" doctrine, i.e., to shelter the mental processes of the attorney,
33 providing a privileged area within which he can analyze and prepare his client's case. Rambus
34 asserts that Hynix's wholesale creation of "party work product" -- documents generated without
35 any attorney direction, involvement, or review -- is squarely at odds with this well-established
36 understanding of the work product doctrine.

37 Rambus alternatively argues that only documents created "in anticipation of litigation"
38 qualify as work product, and the burden is on the party asserting the privilege to establish this
39

1 requisite fact. Rambus asserts that Hynix must establish that "the probability of litigation is
2 'substantial and imminent,' 'objective facts establishing an identifiable resolve to litigate,' or 'an
3 identifiable specific claim or impending litigation when the materials were prepared,'" citing
4 *Heath v. F/V Zolotoi*, 221 F.R.D. 545, 549 (W.D. Wash. 2004).

5 Rambus asserts that Hynix has offered no evidence from the individuals involved in the
6 creation of the documents as to the circumstances surrounding their creation, nor does it contend
7 that Rambus had asserted a patent infringement claim against Hynix at the time the documents at
8 issue were created. Rambus asserts that the fact of Rambus' patent infringement action against
9 another DRAM manufacturer establishes, at most, the "mere possibility" of litigation at the time
10 the documents were created, and that this showing is insufficient to establish that the documents
11 were created "in anticipation of litigation."

12 "The work product doctrine, codified in Federal Rule of Civil Procedure 26(b)(3), protects
13 "from discovery documents and tangible things prepared by a party or his representative in
14 anticipation of litigation." *In re Grand Jury Subpoena (Mark Torf/Torf Environmental*
15 *Management)*, 357 F.3d 900, 906 (9th Cir., 2004)(citation omitted). "To qualify for protection
16 against discovery under Rule 26(b)(3), documents must have two characteristics: (1) they must be
17 prepared in anticipation of litigation or for trial, and (2) they must be prepared by or for another
18 party or by or for that other party's representative." *Id.* at 907 (citations and quotations omitted).
19 "A document should be deemed prepared in anticipation of litigation and thus eligible for work
20 product protection under Rule 26(b)(3) if in light of the nature of the document and the factual
21 situation in the particular case, the document can be fairly said to have been prepared or obtained
22 because of the prospect of litigation." *Id.* "A proper analysis as to the withheld documents must
23 be conducted on a document by document basis." *Id.* at 210. "If the document would not have
24 been generated but for litigation, it is privileged. However, if it was generated for purposes other
25 than litigation, even though litigation may have been a real possibility, it must be disclosed." *Id.*

26 The Special Master has reviewed entries 2, 3, 10, 24, 26, 59, 61 - 68, 93, 122, 126 and
27 131. The documents and evidence presented by Hynix are insufficient to allow the Special
28 Master to conclude that the documents contain party work product. The evidence presented
29 suggests that the members of ADT anticipated litigation with Rambus. However the evidence
presented, more specifically, the declarations in support of Hynix's opposition and the emails,
does not establish that each of the specific emails, which were not prepared by the declarants,

1 were prepared or obtained because of the prospect of litigation. Moreover, even assuming that the
2 emails contain party work product, it is not clear that each communication was made in the course
3 of a joint defense effort and/or that the statements contained in the communications were
4 designed to further the effort.

5 *Entries 1, 28, 32, 37, 42-43, 74-76 and 83*

6 Entries 28, 32 and 42-43 are emails between Farhad Tabrizi and Y.K. Cho. Entries 1 and
7 83 are communications between Farhad Tabrizi and Y.K. Cho that were 'cc:d' to numerous other
8 individuals. Entry 37 is a communication between Farhad Tabrizi and D.S. Chung. Entries 74-76
9 are communications between Sang Park and Farhad Tabrizi, which were 'cc:d' to I.H. Chun and
10 are described as emails concerning joint defense in connection with potential litigation. Each of
11 these entries was withheld from production on the basis of the work product doctrine and joint
12 defense privilege. Each of these entries other than entry 74 also has been withheld from
13 production on the basis of the attorney-client privilege.

14 Rambus' motion asserts that these communications are exclusively between non-lawyers
15 at Hynix, and that such documents are not protected by the attorney-client privilege or work
16 product doctrine.

17 In opposition, Hynix offers declaration testimony asserting that Hynix had inadvertently
18 failed to inform Rambus that I.H. Chun, James Kim and Y.K. Cho were, at the time of the
19 relevant communications, in-house legal counsel at Hynix that have served along with a team of
20 key executives in overseeing the strategy to respond to threatened litigation from Rambus in
21 2000. Hynix asserts that this evidence resolves any issue regarding the separate assertion of the
22 attorney-client privilege with respect to entries 1, 28, 32, 37, 42, 43, 74-76 and 83.

23 In reply, Rambus asserts that Hynix selectively asserts attorney-client privilege for
24 communications to or from Y.K. Cho, James Kim, and I.H. Chun, each of whom Hynix now
25 identifies as an in-house attorney at Hynix in Korea. Rambus asserts that Hynix's identification
26 of these individuals as attorneys does not resolve any issue regarding the separate assertion of the
27 attorney-client privilege with respect to these entries. Rambus asserts that entry 37 makes no
28 mention of any of these individuals, and as such this document is strictly between Hynix non-
29 lawyers. With respect to entries 74-76, emails between two Hynix non-attorney employees
"copying" four Hynix employees, including Mr. Chun, Rambus asserts that the descriptions of
these three documents are devoid of any reference to an attorney-client communication and notes

1 that Hynix does not even claim on its privilege log that entry 74 is protected by the attorney-client
2 privilege.

3 Rambus further asserts that Hynix has taken a fundamentally inconsistent approach
4 respecting at least one of the "in-house lawyers" it has identified Y.K. Cho. As to entries 28, 32,
5 42, and 43 (communications between Cho and Hynix employee Farhad Tabrizi), Hynix claims
6 attorney-client privilege. However, there are thirteen entries in Hynix's privilege log described as
7 communications between Cho and Tabrizi, during the same time, for which Hynix has not
8 claimed the attorney-client privilege. See Entries 7-9, 11-14, 16, 27, 56-58, and 72. Rambus
9 asserts that given that Hynix has not claimed attorney-client privilege for most of the
10 communications between Cho and Tabrizi, Hynix's claim of attorney-client privilege for entries
11 28, 32, 42, and 43 is necessarily in doubt. Nothing in Hynix's opposition or supporting
12 documents purports to address this inconsistency. Rambus asserts Hynix's claim of attorney-
13 client privilege as to communications between non-lawyers fails.

14 The Special Master has reviewed each of the documents in question, and based upon the
15 evidence presented, concludes as follows:

16 a. Entry 32

17 Entry 32 is an email between Farhad Tabrizi and Hynix in-house counsel. The email is
18 protected from disclosure by the attorney-client privilege. The motion to compel production of
19 entry 32 is DENIED.

20 b. Entries 28 and 42-43

21 Entries 28, 42 and 43 are strings of emails between a Hynix employee and in-house Hynix
22 counsel. A number of the emails within the email chains were 'cc:d' to inside and outside
23 counsel for Hynix and Hynix employees. Hynix's privilege log states that entry 28 is an "email
24 concerning joint defense, including reference to attorney-client communications, in connection
25 with potential litigation. Entries 42 and 43 are described as emails containing attorney-client
26 communications re joint defense, in connection with potential litigation. The email chains contain
27 statements that arguably fall within the attorney-client privilege. However, Hynix has failed to
28 establish that each of the emails within the chain contain privileged communications.

29 c. Entry 1

Entry 1 is an email from a Hynix employee to another Hynix employee and in-house
Hynix counsel stating "fyi" that forwards and attaches a discussion of the Hitachi/Rambus

1 settlement by third parties. The email was also 'cc:d' to other Hynix employees. The
2 communication does not appear to be a confidential disclosure made by a client to an attorney in
3 order to obtain legal advice. Even assuming that the email falls within the attorney-client
4 privilege, Hynix has failed to establish that the attachment is privileged from disclosure to
5 Respondents through application of the joint defense privilege.

6 d. Entry 83

7 Entry 83 is an email chain that includes emails: (1) between Farhad Tabrizi and Y.K. Cho
8 that were 'cc:d' to numerous other Hynix employees; and (2) an email from Hynix in-house
9 counsel to Hynix in house counsel and a number of Hynix employees that was also 'cc:d' to
10 Hynix employees and outside counsel for Hynix. The email chain discusses Hynix's strategy
11 with respect to Rambus patents in connection with potential litigation. Entry 83 falls within the
12 attorney-client privilege and is protected from disclosure to Rambus. The motion to compel
13 production of entry 83 is DENIED.

14 c. Entry 37

15 Hynix describes entry 37 as an email containing attorney-client communications re joint
16 defense, in connection with potential litigation. The email is between two Hynix non-attorneys.
17 The initial communication in the email chain was copied to two in-house Hynix attorneys and the
18 last was copied to one in-house attorney and one outside counsel. Hynix does not argue or offer
19 legal support for the assertion that the fact a document is copied to a Hynix lawyer renders the
20 document protected from disclosure by the attorney-client privilege. The email does not appear to
21 forward legal advice obtained from attorneys nor does it appear to be a confidential disclosure
22 made by a client to an attorney in order to obtain legal advice. *In re Grand Jury Investigation*, 974
23 F.2d 1068, 1070 (9th Cir., 1992). Based upon the evidence presented, the entry would not appear
24 to be protected from disclosure by the attorney-client privilege. Insufficient evidence has been
25 presented to justify a conclusion that the entry is protected by the work product doctrine.

26 d. Entries 74-76

27 Entries 74-76 are communications between two Hynix employees that were copied to in-
28 house Hynix counsel; 74 and 76 include in the chain emails that were sent by Tabrizi to an in-
29 house attorney and were 'cc:d' to other Hynix employees. Hynix describes the documents as
30 emails concerning joint defense in connection with potential litigation. With respect to the emails
31 between non-attorneys 'cc:d' to Hynix in-house counsel, the emails do not appear to forward legal

1 advice obtained from attorneys nor does it appear to be a confidential disclosure made by a client
2 to an attorney in order to obtain legal advice. Insufficient evidence has been presented to justify a
3 conclusion that the entries are protected by the work product doctrine. With respect to the portion
4 of the email chains reflecting a communication between Farhad Tabrizi and Hynix in-house
5 counsel, the communication does not appear to be a confidential disclosure made by a client to an
6 attorney in order to obtain legal advice. Hynix has failed to establish that entries 74-76 are
7 protected from disclosure by either the attorney-client privilege or work product doctrine.

8 *Entry 133*

9 Entry 133 is a letter from a paralegal with the Sughrue firm to outside counsel for Hynix.
10 Attached to the letter are documents discussed at a January 17, 2001 JRA meeting. Hynix asserts
11 that the entry is a joint defense communication. See Opposition at 9 n. 5. Hynix has failed to
12 establish that the letter and attached documents are privileged from disclosure to Rambus.

13 *Entries 7-9, 11-17, 19-20, 22, 27, 54-58, 69-70, 73 and 85-87*

14 Entries 7-9, 11-17, 19-20, 22, 27, 54-58, 69-70, 73 and 85-87 are described, generally, as
15 emails concerning joint defense, in connection with pending litigation. With limited exceptions,
16 Hynix objects to production of these documents on the grounds of the work product doctrine and
17 the joint defense privilege.

18 Rambus' motion asserts that these communications are exclusively between non-lawyers
19 at Hynix, and that such communications are not protected by either the attorney-client privilege or
20 work product doctrine. Hynix's opposition to the motion does not specifically address these
21 entries.

22 The evidence presented establishes that Y.K. Cho and L.H. Chun were Hynix in-house
23 attorneys. As such, entries 7-9, 11-14, 16, 27, 54-58, 69 and 72, 86 are communications between
24 a Hynix employee and Hynix in-house counsel. Hynix, however, has not specifically asserted the
25 attorney-client privilege as an objection to these entries. Entries 15, 17, 19, 20, 22, 70, 73, 85,
26 and 87 are emails between Hynix employees which are copied to in-house counsel and other
27 Hynix employees.

28 With respect to entries 7-9, 11-17, 19-20, 22, 27, 54-58, 69-70, 73 and 85-87, Hynix has
29 failed to establish an applicable privilege (attorney-client privilege or work product doctrine)
underlying its assertion of the joint defense privilege and/or the application of the joint defense

1 privilege with respect to the attorney-client communications or the communications between non-
2 attorneys.

3 *Entries 4-6, 125 and 129*

4 Entries 4-6 are described as emails concerning joint defense, legal report from Sughrue
5 regarding IP issues, in connection with potential litigation. Entry 125 is described as emails
6 containing attorney-client communications re NDA and Joint Representation Agreement in
7 connection with potential litigation. Entry 129 is described as an email re ADT IP meeting with
8 Sughrue attorney in connection with potential litigation. Hynix objects to the production of these
9 documents on the grounds of the work product doctrine and joint defense privilege.

10 Hynix asserts that the attorney-client privilege protects communications among Hynix
11 executives that pass on legal advice from an attorney. Hynix asserts that entries 4-6, 125 and 129
12 each explicitly note in their description that they are forwarding legal advice received from
13 attorneys and therefore each of these documents properly are withheld from production.

14 On their face, entries 4-6, 125 and 129 do not forward legal advice received from an
15 attorney. Hynix has failed to establish that the documents are privileged from disclosure to
16 Rambus.

17 *Communications between Hynix and Third Parties*

18 Entries 18, 21, 23, 25, 29-30, 33-35, 59, 88, 90-91, 114, and 127-128 are communications
19 between Hynix and third parties, including ADT, Intel, NEC, Samsung, Micron, and Infineon.⁸
20 Hynix objects to production of these documents on the grounds of the work product doctrine and
21 the joint defense privilege. Rambus asserts that Hynix has failed to make any factual showing
22 that these documents reflect communications made in the course of a matter of common litigation
23 interest. Hynix asserts that it has common legal interests with the third parties identified on its
24 privilege logs, and that its communications with them regarding those interests are protected from
25 disclosure. Hynix asserts that it appropriately claimed the joint defense privilege for
26 communications involving the Advance DRAM Technology consortium ("ADT") and a group
27 separate from ADT that banded together pursuant to a "joint representation agreement," known as
28 the "JRA" group.

29 ⁸ Pursuant to its agreement in opposition to Rambus' motion, Hynix previously was ordered to produce
communications with JEDEC, i.e., entries 97-98, 100-101, 106, 115-118 and 123-124.

1 In reply, Rambus asserts that Hynix has not established the existence of a "common
2 interest" with third parties. Rambus asserts that a joint defense privilege cannot apply with
3 respect to either ADT or JRA or their members. Rambus asserts that ADT was formed by DRAM
4 companies "to develop future DRAM technologies," which is a commercial -- rather than
5 litigation -- interest. Rambus asserts that the fact that ADT's development of DRAM
6 technologies carried with it certain intellectual property concerns does not alter this conclusion.
7 With respect to the JRA group, Rambus asserts that among its functions was to share information
8 for purposes of "license negotiations," and that this reflects a commercial interest, rather than a
9 litigation interest. Rambus asserts that Hynix does not contend that all of the members of ADT or
10 the JRA group, much less these groups as a whole, shared a common litigation interest with each
11 other, much less with Hynix -- or even that all members of the group were exposed to the same
12 alleged threat of litigation.

13 The burden is on Hynix to establish the application of the joint defense privilege. In order
14 to meet this burden, Hynix relies upon the Brown Conf. Decl. The declaration provides in
15 pertinent part that:

16 3. Hynix, Intel, NEC, Samsung, Micron and Infineon (among other companies)
17 participated in ADT. I represented Hynix at the time it was a member of ADT and
18 advised Hynix with regard to certain of its activities at ADT. ADT was a forum for
19 DRAM companies cooperating to develop future DRAM technologies. The
20 communications on Hynix's privilege logs are limited to one particular category of ADT
21 communications: they arise from a joint effort by ADT members to investigate prior art
22 and other issues related to Rambus' patents. The members of ADT jointly retained their
23 own common attorneys, the Sughrue firm, to evaluate the activities of ADT in light of
24 existing Rambus patents, i.e., in anticipation of possible litigation with Rambus.

25 4. Also withheld from production and listed on Hynix's logs are documents generated
26 in the context of another group with a common legal interest, which was memorialized in
27 a joint representation agreement, the so-called "JRA" group. The JRA group also used the
28 Sughrue firm as its common attorneys, and came to be in the months after Hitachi was
29 sued but before this action was filed. Its purpose was to study and share information on
the Rambus patent family and prior art related to the DRAM lawsuits and in license
negotiations. Hynix, Micron, Infineon, AMD, Intel, Transmeta, ATI, nVidia and Samsung
were all members. The documents on Exhibit T to the Luedtke declaration that show they
were exchanged between my firm and the Sughrue firm relate to this group. (See, e.g.,
entries 135 - 137.)

6. The vast majority of ADT-related documents in Hynix's possession, constituting
thousands of pages of e-mails and presentations, were not logged as privileged but were
produced to Rambus in this and the FTC action. Only ADT documents covered by the
work product and joint defense doctrines appear on Hynix's privilege logs.

1 7. Attached hereto as Exhibit A is a true and correct copy of Samsung, Hynix,
2 Infineon, Micron and Intel's Opposition to Rambus Inc.'s Motion to Compel Samsung
3 Electronics America, Inc. to Produce Certain Documents Withheld on Privilege Grounds
4 filed in the FTC action (In the Matter of Rambus Inc., Docket No. 9302). The joint
5 submission, in which I participated in drafting and which I signed, along with the
6 Declaration of Clifford E. Wilkins, Jr., counsel for Infineon in the Infineon action,
7 describe the circumstances under which the privileged ADT materials were created and
8 lays the foundation for each of these parties' reliance on the joint defense doctrine for the
9 protection of the material from discovery. Mr. Wilkin's declaration is a true and accurate
10 summary of the context for those communications. ...

11 The declaration evidence provided by Hynix and documents submitted for *in camera*
12 review compel the conclusion that the members of ADT and/or JRA had common legal interests.
13 The declarations and documents do not, however, establish that each specific document is
14 protected from disclosure by the joint defense privilege and/or the work product doctrine.

15 *Conclusion Re In Camera Review*

16 The motion to compel Hynix to produce the ADT and JRA joint defense agreements is
17 granted. The motion to compel Hynix to produce entries 32 and 83 is denied. With respect to the
18 remaining entries on exhibit T to the Luedtke declaration that were submitted for in camera
19 review, i.e., entries 1-30, 33-35, 37, 42-43, 54-59, 61-70, 73-76, 85-88, 90-91, 93, 114, 122 and
20 125-153, Hynix has failed to establish that the entries are privileged from disclosure.

21 Hynix's November 19, 2004 submission requests that that in the event that the Special
22 Master is inclined to order the production of any of the documents, Hynix be given an opportunity
23 to explain more particularly the reasons for its assertion of privilege or work product as to any
24 specific document, or that any such order be immediately stayed in order to allow the resolution
25 of any Rule 72(a) objections Hynix may file with the Court. In light of this request, the Special
26 Master will, rather than order production of entries 1-30, 33-35, 37, 42-43, 54-59, 61-70, 73-76,
27 85-88, 90-91, 93, 114, 122 and 125-153, provide Hynix with one final opportunity to establish
28 that these entries are privileged from disclosure. Hynix shall provide Rambus with a revised
29 privilege log identifying the documents, communications or entries discussed herein, or portions
thereof, which it believes are privileged from disclosure to Rambus. To the extent that Hynix
continues to assert the joint defense privilege, the revised privilege log shall provide the specific
underlying basis (attorney-client privilege and/or work product doctrine) for its assertion of the
joint defense privilege. Hynix shall provide the Special Master and Rambus, within fourteen days

1 of receipt of this order, additional explanation, evidence and/or argument to support its assertion
2 that the documents at issue are privileged from disclosure to Rambus.

3 Order

4 For the reasons set forth above,

- 5 1. The motion to compel Hynix to produce the joint representation agreements is
6 GRANTED.
- 7 2. The motion to compel Hynix to produce entries 32 and 83 is DENIED.
- 8 3. With respect to entries 1-30, 33-35, 37, 42-43, 54-59, 61-70, 73-76, 85-88, 90-91,
9 93, 114, 122 and 125-153, Hynix has failed to justify its assertion of the joint
10 defense privilege, the attorney-client privilege and/or the work product doctrine.
11 Within 14 days of receipt of this order, Hynix shall provide the Special Master and
12 Rambus with a revised privilege log and additional evidence, explanation and/or
13 argument to support its objections to production of the documents. Any response
14 by Rambus will be due within 7 days of receipt of Hynix's further submission. In
15 the event that Hynix fails to provide the additional evidence and/or argument
16 within 14 days of receipt of this order, and upon appropriate application by
17 Rambus, the motion to compel production of these documents will be GRANTED.
- 18 4. Counsel for Rambus shall file this order and serve opposing counsel and the court
19 with filed-endorsed copies. Counsel for Rambus shall ensure that prior to filing,
20 any and all appropriate measures are taken to avoid disclosure of confidential
21 Hynix information.

22 IT IS SO ORDERED.

23 Dated: 2/16/2005

24 
25 _____
26 Hon. Read Ambler (Ret.)
27 Special Master
28
29

PROOF OF SERVICE BY MAIL & FACSIMILE

I, Nicolas Machado, not a party to the within action, hereby declare that on February 16, 2005 I served the attached Order Re: In Camera Review Of Documents Submitted Pursuant To October 19, 2005 Order on the parties in the within action by facsimile and depositing true copies thereof enclosed in sealed envelopes with certified postage thereon fully prepaid, in the United States Mail, at San Jose, California, addressed as follows:

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I declare under penalty of perjury the foregoing to be true and correct. Executed at
San Jose, CALIFORNIA on February 16, 2005.



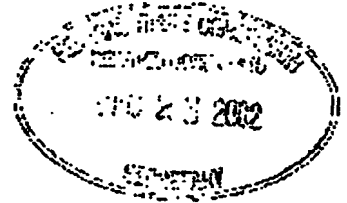
Signature

Exhibit 5

Samsung, Hynix, Infineon, Micron and Intel's Opposition to Rambus Inc.'s Motion to Compel Samsung Electronics America, Inc. to Produce Certain Document Withheld on Privilege Grounds filed on December 23, 2002 in *In re Rambus*, No. 9302 (FTC).

PUBLIC

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION



In the Matter of

RAMBUS INCORPORATED,

a corporation.

Docket No.: 9302

**SAMSUNG, HYNDX, INFINEON, MICRON AND INTEL'S OPPOSITION TO RAMBUS
INC.'S MOTION TO COMPEL SAMSUNG ELECTRONICS AMERICA, INC. TO
PRODUCE CERTAIN DOCUMENTS WITHHELD ON PRIVILEGE GROUNDS**

To the Honorable James P. Timony, Chief Administrative Law Judge:

Samsung Electronics America's Corporation ("Samsung"), Infineon Technologies North America Corp. ("Infineon"), Hynix Semiconductor Inc. ("Hynix"), Intel Corporation ("Intel") and Micron Technology Inc. ("Micron") respectfully submit this Opposition to Rambus Inc.'s ("Rambus") Motion to Compel Samsung Electronics America, Inc. to Produce Certain Documents Withheld on Privilege Grounds ("Motion to Compel"). The documents sought from Samsung by the Rambus subpoena are protected by a joint attorney-client privilege held by the members of the Advance DRAM Technology ("ADT") consortium, including Infineon, Hynix, Micron and Intel. Accordingly, in view of their joint interest in maintaining the privilege of such documents, these companies jointly submit this opposition.

INTRODUCTION

In its motion to compel, Rambus contends that none of the ADT-related documents listed on Samsung's privilege log are the subject of the attorney-client privilege. Rambus' contentions are premised on the belief that none of these documents were created by or

sent to an attorney or contain legal advice provided in furtherance of a joint or common interest of the members of ADT. Rambus is wrong.

Instead, the ADT-related documents for which Samsung and other members of ADT maintain a claim of privilege contain confidential communications relating to legal advice on legal issues of common interest to the members of ADT. This advice was provided either by an outside law firm jointly retained by ADT or by ADT members' in-house legal staffs. As such these communications are protected from discovery under the attorney-client privilege. Attached at Tab A is a revised privilege log for the ADT-related documents demonstrating the privileged nature of these documents. However, should Your Honor believe that additional detail regarding the content of any of these documents is necessary, it is requested that Your Honor inspect such documents *in camera* before ruling on the privilege issues.

I. Procedural Background

In connection with the above-captioned action, Rambus served a subpoena *duces tecum* on Samsung requesting, among other things, documents relating to an industry consortium called ADT. As part of its response to this subpoena, on December 4, 2002, Samsung provided Rambus' counsel with a log of documents withheld from production on privilege and attorney work product grounds. Among the documents listed on the privilege log, 112 documents relate to Samsung's participation in ADT. For this group of documents, Samsung withheld these documents from production on the basis of the joint defense privilege.

The following day, counsel for Rambus and Samsung met to confer about the withheld documents relating to ADT. *See Motion to Compel*, fn 2. At that time, Rambus objected to Samsung's claim of a joint-defense privilege for any of these documents and indicated that it intended to file a motion to compel production of these documents. *See id.* Consistent with its duty as a member of the ADT consortium, Samsung informed Rambus that it

could not unilaterally waive any privileges applicable to these documents and further stated its intention to notify the other interested members of ADT regarding Rambus' anticipated motion to compel.

Samsung provided notice to the consortium members of Rambus' intention to file a motion to compel later that day. However, before the other members of ADT had an opportunity to review the documents in question and provide their input in connection with Samsung's claims of joint privilege, on the following Monday, December 9, 2002, Rambus filed its Motion to Compel. In order for the other ADT members to have an opportunity to confer about Rambus' motion, the parties agreed to an extension of time to respond to the motion until December 23, 2002. Further, the parties agreed that any documents listed on the privilege log to which the ADT members agreed to produce would be produced on December 24, 2002.¹

On December 19, 2002, Infineon's counsel contacted Rambus' counsel to discuss resolving this dispute without further motion practice or involvement by Your Honor. See Declaration of Clifford E. Wilkins Jr. ("Wilkins Decl.") at ¶ 5 (attached hereto at Tab B). Infineon indicated that the deficiencies in the original privilege log identified in Rambus' motion to compel would be remedied by a revised privilege log, which provided more detail regarding the basis for the joint privilege claims for the remaining ADT documents. *Id.* at ¶ 5. In order to focus, and hopefully eliminate the issues in dispute, Infineon requested that Rambus agree to service of a revised privilege log in lieu of Samsung and other ADT members filing an opposition to Rambus' motion. *Id.* at ¶ 5. Rambus' counsel rejected this proposal and would not consider whether a revised privilege log would settle the issues in dispute. *Id.* at ¶ 5.

¹ Pursuant to this agreement, on December 24, 2002, Samsung will be producing 69 of the ADT-related documents listed on its original privilege log, including 16 documents that have been redacted to protect attorney-client privileged information.

II. The Advanced DRAM Consortium ("ADT")

All of the documents at issue relate to ADT, a consortium formed in December 1999 by six companies from the DRAM industry: Infineon, NEC (now Elpida), Samsung, Intel, Hyundai (now Hynix), and Micron (collectively "the member companies"). The member companies formed ADT as a vehicle for the cooperative development of future DRAM technologies. To this end, the member companies drafted and signed an agreement governing their relationship through ADT. See Wilkins Decl., Exhibit A.

As an industry consortium, the various administrative, technical, and legal functions of ADT were carried out through the collaborative efforts of the certain executives, engineers and lawyers of the member companies. With regard to legal issues of common interest, the member companies either hired an independent outside counsel or addressed such issues through the coordinated efforts of the members' in-house legal staffs. For example, the law firm of Sughrue Mion PLLC ("the Sughrue Firm") was jointly retained to represent the member companies in connection with common legal interests relating to various intellectual property issues. See Declaration of Robert M. Masters ("Masters Decl."), ¶¶ 2-5 (attached hereto at Tab C). As part of this representation, the member companies agreed to keep all communications and information exchanged among the members in furtherance of their common interests confidential, including all advice of counsel provided by the Sughrue firm. *Id.* at ¶ 10.

Additionally, the member companies regularly analyzed and resolved legal issues of common interest to the ADT members through the cooperative efforts of the members' internal legal departments. See Declaration of David A. Ashmore ("Ashmore Decl."), at ¶¶ 5-7 (attached hereto at Tab D). For example, on a number of occasions, Mr. David Ashmore, an attorney with Micron's in-house legal department provided advice regarding legal issues of common interest to the representatives of the other member companies, such as issues relating to

the participation by third parties in ADT, as well as draft contracts between ADT and third parties and draft contracts among the ADT members regarding the structure and operation of ADT. *Id.* at ¶ 6. Mr. Ashmore provided this advice with the understanding that it was confidential, and that it was intended to further the common legal interests of ADT and its members. *Id.* at ¶ 6. Further, pursuant to confidentiality provisions in the original ADT agreement, the ADT members were obligated to keep such information related to the work of ADT confidential. See Wilkins Decl., Exhibit A, at p 8-9.

ARGUMENT

I. The Joint Representation Privilege Applies to the Withheld Documents

The attorney-client privilege is one of the oldest and most important privileges recognized in the law. See *U.S. v. Schwimmer*, 892 F.2d 237, 243 (2nd Cir. 1992). The privilege is designed to encourage full and frank communications between attorneys and their clients from the consequences or the apprehension of disclosure. *Id.* It is also well recognized that the need to protect the free flow of information from a client to attorney logically exists when multiple parties share a common interest about a legal matter. *Id.* Accordingly, there are several well-recognized exceptions to the general rule that disclosure of other-wise privileged communications to a third party waives any privilege in such communications when such disclosure relates to coordinated efforts between multiple parties regarding a common legal interest. Two of these exceptions are directly applicable in the present situation.

First, a joint representation privilege will apply when a lawyer is retained by multiple clients for representation regarding common legal interests. See e.g., *FDIC v. Ogden Corp.*, 202 F.3d 454, 461 (1st Cir. 2000). In such circumstances, disclosure of privileged communications to more than one client regarding such interests does not waive the privilege. *Id.* (citing 8 John Henry Wigmore, *Wigmore on Evidence* § 2312 at 603-09 (McNaughten rev.

ed. 1961)). Second, such a joint privilege also attaches to communications between lawyers and clients of different parties that are in furtherance of common legal interests, which is commonly known as the "common interest" doctrine. *U.S. v. United Technologies Corp.*, 979 F. Supp. 108, 111 (D. Conn. 1997); *U.S. v. Schwimmer*, 892 F.2d at 243; *see also*, Rambus Motion to Compel at 3. As with all assertions of attorney-client privilege, the underlying communication sought to be protected must itself fall within the attorney-client privilege in order to qualify under these two exceptions. *United Technologies*, 979 F. Supp. at 111; *Schwimmer*, 892 F.2d at 244.

A. Documents Containing Communications Relating To Advice By The Sughrue Firm Are Privileged.

Entries P-3, P-9, P-59, P-84, P-100, P-103, P-108 and P-109 are documents that reflect confidential communications between the member companies regarding the Sughrue law firm's joint representation of ADT. *See* Exhibit A. These communications relate to legal advice regarding ADT-related intellectual property issues for the common benefit of the members of ADT provided by Mr. Robert Masters, the lead lawyer from the Sughrue firm regarding its joint representation of ADT, as well as by other lawyers at Sughrue. *See* Masters Decl., ¶ 5.

The advice by the Sughrue firm was provided with the understanding that it was privileged and confidential and that it was pursuant to Sughrue's joint representation of ADT. *See* Masters Decl., ¶ 7. Additionally, the member companies of ADT agreed to keep all communications and information exchanged among the members in furtherance of their common interest, including all advice of counsel, confidential within the membership of ADT. *See* Masters Decl., ¶ 10; Wilkins Decl., Exhibit A, at p. 8-9.

In particular, entries P-3, P-9, P-59, P-84, P-100, P-103 and P-109 all relate to documents containing the minutes of various ADT meetings at which legal advice regarding intellectual property issues of common interest provided by the Sughrue firm was discussed. *See*

Exhibit A.² Further, entries nos. 106 and 108 relate to drafts of documents that were circulated to various member companies' ADT representatives, as well as Mr. Masters for the purpose of obtaining legal advice with regard to issues of common legal interest in the drafts. *See id.*

Because these documents reflect communications relating to requests for or legal advice provided by the Sughrue firm pursuant to the joint representation of the ADT members on issues of common legal interest, they fall within the bounds of the joint representation privilege and are protected from disclosure under the attorney-client privilege. *See Ogden Corp.*, 202 F.3d at 461.

B. The Common Interest Doctrine Protects The Documents Reflecting Communications Between Member Companies and Their Various In-house Counsel Regarding ADT-Related Legal Issues.

The "common interest" doctrine protects the privileged status of attorney-client communications disclosed by one party to another when the parties share a common legal interest. *See United Technologies*, 979 F. Supp. at 111. This interest need not relate to an ongoing or anticipated litigation, but instead may be any legal interest in common. *Id.*; *Schwimmer*, 892 F.2d at 243-44. Thus, even in the absence of an explicit joint retention agreement, communications between one member company and the internal counsel of another member of ADT are privileged so long as (1) the companies share a common legal interest in the communication and (2) the communication reflects the shared legal interest. *United Technologies*, 979 F. Supp. at 111; *Schwimmer*, 892 F.2d at 243.

² These documents are being produced to Rambus in redacted form on December 24, 2002, wherein the portions of the documents relating to either legal advice provided by Sughrue to the ADT members or reflecting requests for legal advice by Sughrue on issues of common legal interest to the ADT have been redacted.

The district court decision in *United States v. United Technologies Corporation* is particularly instructive on the application of the common interest doctrine to the present situation. In *United Technologies*, five companies in the aerospace industry formed a consortium to develop the next generation of jet engine technology. 979 F. Supp. at 110. The companies exchanged legal advice from in-house and outside counsel, and communicated regularly on various legal issues relating to the consortium, including the corporate structure of the consortium and resulting tax liabilities. *Id.* The government contested the companies' privilege claims, arguing, much as Rambus does here, that the companies had only shared commercial interests and therefore the disclosure of legal advice to other members of the consortium vitiated the attorney-client privilege.³ *Id.* at 112. However, the *United Technologies* court recognized that the withheld communications were protected communications on issues of the corporate and tax structure of the consortium that were of common legal interest to the companies as participants in the consortium, and therefore the shared legal advice remained protected under the attorney-client privilege pursuant to the "common interest" doctrine. *Id.* This same rationale applies in the present case.

Here, as in *United Technologies*, the member companies formed the ADT consortium to develop new technology. See Wilkins Decl., Exhibit A, at p. 1. Since ADT

³ Rambus claims that the ADT members only have a common commercial interest and therefore no privilege attaches to their communications, relying on *Bank Brussels Lambert v. Credit Lyonnais S.A.*, 160 F.R.D. 437 (S.D.N.Y. 1995). See Motion to Compel at 4. But in *Bank Brussels*, the withheld documents related to the viability of a transaction shared with others to facilitate a joint business decision. See *id.* at 447-48. However, unlike *Bank Brussels*, in the present situation, the challenged documents are not commercial in nature or directed towards a joint business strategy. Instead, as in the *United Technologies* case, the members of ADT seek to maintain the privilege for documents which relate to their common legal interests in connection with their participation in ADT.

depends entirely on the participation of its members, the member companies share a common legal interest in a number of issues including ADT's structure, contracts with third parties, contracts regarding the structure and operation of ADT, and intellectual property rights. As part of the operations of ADT, it was understood that members' in-house legal departments, including David Ashmore of Micron's in-house legal staff, would provide analysis and advice regarding legal issues of common interest to the members companies. See Ashmore Decl., ¶¶ 5-7. It was further understood that such advice was provided as part of the collaborative efforts of the group and that it was to remain confidential to the members companies' employees whose responsibilities included participation in ADT. See *id.*, at ¶¶ 6-7; Wilkins Decl., Exhibit A, at pp. 8-9.

1. Documents Reflecting Legal Advice From ADT Members' In-House Counsel Regarding Draft Contracts Are Privileged

Among the legal interests in which the ADT members shared a common interest were confidential communications in connection with several draft contracts. See Ashmore Decl., ¶¶ 5-7. These draft contracts fall into two categories: 1) contracts between the ADT member companies and third parties; and 2) contracts among the ADT member companies.

Entries P-50, P-53, P-55, P-57, P-60, P-61, P-68, P-69, P-72, P-81, P-93, P-98, P-106, P-108, and P-110 all contain confidential communications related to draft contracts between the ADT member companies and third parties that were circulated among the member companies for comment and approval. Each of the member companies had a common legal interest regarding the rights of the ADT consortium addressed in these draft contracts. In particular, entries P-50, P-53, P-55, P-57, P-60, P-61, P-68, P-106, and P-110 relate to draft Non-Disclosure Agreements between ADT and third parties, and entries P-69, P-72, P-81, P-93, P-98, and P-108 relate to a draft agreement between the ADT members and potential "Co-developers" that would

also participate in the development efforts of ADT. In the discussions of these draft contracts that are reflected in these documents, the members sought and shared advice of their respective in-house counsel, including the advice of Micron's in-house counsel Mr. Ashmore on several occasions, in connection with issues of common interest to the members of ADT. See Ashmore Decl., ¶¶ 5-7.

Additionally, entries P-6-8, 10-39, 49-51, 73, 84, and 90 contain communications relating to drafts of contracts among the ADT member companies, which were also distributed for comment and approval. Specifically, entries P-6-8, 10-36, 38, 49-51, and 84 relate to drafts of a contract for a potential successor organization to the original ADT consortium to continue the development of DRAM technology. Entries P-37 and P-39 relate to a draft agreement regarding the termination of the original contract that formed ADT. Again, as part of its discussions reflected in these documents regarding the termination of the existing ADT group, as well as the formation of a successor organization, the ADT members shared and requested legal advice from various in-house counsel, including Mr. Ashmore, regarding provisions in these drafts of common legal interest to the ADT members. See Ashmore Decl., ¶¶ 5-7.

Accordingly, for all of these documents reflecting communications regarding draft contracts, the member companies had a shared legal interest in the communications and these communications reflect that shared interest. Thus, these documents are privileged under the "common interest" doctrine. See *United Technologies*, 979 F. Supp. at 111.

2. Documents Reflecting Legal Advice Provided By Or Requested Of In-House Counsel At ADT Meetings Are Privileged

The remaining documents (P-93 and P-98) for which a common interest privilege applies relate to communications during ADT meetings that reflect legal advice provided by Micron's in-house legal counsel, Mr. Ashmore. This advice related to legal issues regarding

inviting participation by third parties in ADT, which was of common legal interests to all the ADT member companies. These communications were made with the understanding that they would remain confidential to the member companies of ADT. See Ashmore Decl., ¶¶ 5-7. As such, under the common interest doctrine, they are also protected by the attorney-client privilege. *United Technologies*, 979 F. Supp. at 111.

C. Rambus' Relevance Arguments Are Inapplicable To The ADT-Related Privileged Documents.

Rambus' assertions that documents relating to ADT are "highly relevant" to this proceeding have no legal impact on whether the withheld documents are protected from discovery. Although in the context of attorney work product, a party may obtain access to otherwise protected materials based on a substantial need argument, no such exception applies in the context of the attorney-client privilege as a matter of law. *Siddall v. Allstate Ins. Co.*, No. 99-17428, 2001 WL 868376, *1 (9th Cir. Apr. 12, 2001) (limiting a plaintiff's substantial need arguments to attorney work-product documents); *Admiral Ins. Co. v. United States District Court for the District of Arizona*, 881 F.2d 1486, 1494 (9th Cir. 1989) (refusing to pierce the attorney-client privilege based on relevance and substantial need arguments). Rambus does not seek protected work product, but instead seeks documents covered by the attorney-client privilege. Accordingly, the degree of relevance of the withheld documents to the present action is immaterial to whether they must be produced.

Further, the basis of relevance alleged by Rambus is that it contends discovery of ADT's technical efforts to design and develop future DRAM technology is necessary in order to rebut the allegations in the Complaint that the industry is "locked-in" to technologies over which Rambus asserts patent rights. However, the documents being produced on December 24, 2002 provides Rambus with just such discovery. These documents relate to the technical discussions

of ADT, which is the very information Rambus seeks through its Motion to Compel. The remaining challenged documents do not relate to such technical discussions, but instead are directed to legal issues of common interest to the ADT member companies.

CONCLUSION

For the reasons set forth above, all of the documents listed on the revised privilege log are protected from discovery by the attorney-client privilege by virtue of the joint representation of the Sughrue firm or under the common interest doctrine. Accordingly, it is respectfully requested that Your Honor deny Rambus' Motion to Compel in its entirety.

Date: December 23, 2002



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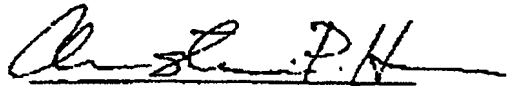
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The document contained in the confidential version has been withheld from the public version pursuant to the Protective Order.

PUBLIC

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

In the Matter of
RAMBUS INCORPORATED,
a corporation.

Docket No.: 9302

DECLARATION OF CLIFFORD E. WILKINS, JR.

I, Clifford E. Wilkins, Jr. declare as follows:

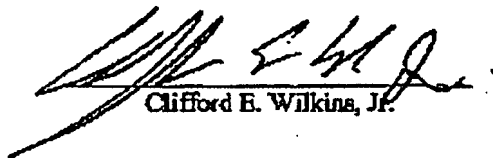
1. I am member of the State Bar of New York and a partner with the law firm of Kirkland & Ellis and represent non-party Infineon Technologies North America Corporation ("Infineon"). I have personal knowledge of the facts set forth in this declaration.
 2. On December 5, 2002, I was informed by outside counsel for Samsung that in response to a subpoena by Rambus, Inc. ("Rambus"), Samsung had provided a log of privileged documents that included a number of documents related to Samsung's participation in a joint development group call the Advanced DRAM Technologies ("ADT") consortium that Samsung asserted were protected under a joint defense privilege. I was also informed that Rambus had indicated to Samsung that it intended to file a motion to compel the ADT-related documents withheld by Samsung.
 3. On December 9, 2002 I was informed by outside counsel for Samsung that Rambus had filed a motion to compel the withheld Samsung ADT-related documents.
 4. I have been informed that Infineon was also a member of the ADT consortium.
- Attached as Exhibit A is a true and correct copy of the High-Speed DRAM Interface Developer's

Agreement executed on behalf of Infineon on December 21, 1999. Upon information and belief, this agreement was executed by representatives of Hyundai Electronics Industries Co., Ltd (now "Hynix"), Micron Technology, Inc. ("Micron"), NEC Corporation (now "Elpida"), Samsung Electronics ("Samsung") and the Intel Corporation ("Intel"), and formed the basis for the ADT consortium.

5. On December 19, 2002, I contacted Rambus' outside counsel, Steven M. Perry to discuss resolving the dispute over Samsung's ADT-related documents without further motion practice or involvement of the Court. I indicated to Mr. Perry that Infineon, Samsung, Micron, Intel and Hynix had agreed to produce a number of the ADT-related documents withheld by Samsung under a Joint Defense Privilege. I also indicated to Mr. Perry that I believed that any deficiencies in Samsung's original privilege with regard to the ADT-related documents identified in Rambus' Motion to Compel would be remedied by a revised privilege log which provided more detail regarding the basis for the joint privilege claims for the remaining ADT-related documents. I requested that Rambus agree to service of a revised privilege log in lieu of Samsung and other ADT members filing an opposition to Rambus' motion. Mr. Perry rejected this proposal.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct and, if called as a witness, I could and would testify hereto.

Executed on December 23, 2002 in New York City, NY


Clifford E. Wilkins, Jr.

The document contained in the confidential version has been withheld from the public version pursuant to the Protective Order in this case.

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

In the Matter of

RAMBUS INCORPORATED,

a Corporation.

Docket No.: 9302

DECLARATION OF ROBERT M. MASTERS

Robert M. Masters declares as follows:

1. I am an attorney with the law firm of Sughrue Mion, PLLC ("Sughrue").
2. Sughrue was retained by a group of companies called Advanced DRAM Technology ("ADT"), as intellectual property counsel, no later than March of 2000.
3. ADT included the following manufacturers: Micron, Samsung, Intel, Infineon, NEC (now Elpida), and Hyundai (now Hynix) (individually referred to herein as "a member company" and collectively referred to herein as "the Parties").
4. The Parties share in the costs, expenses and fees incurred by joint counsel.
5. Sughrue was jointly retained to represent each of the ADT member companies in connection with providing advice on intellectual property matters relating to the work of ADT that was of common legal interests to the Parties.
6. I was ADT's lead patent counsel.
7. Pursuant to Sughrue's joint representation of the member companies, I, as well as other attorneys at Sughrue, provided legal advice to the Parties in regard to ADT related matters. This advice was provided with the understanding that it was privileged and confidential.

8. In addition, the Parties have provided information to Sughrue for the purpose of obtaining legal advice from the attorneys at Sughrue.

9. The communications between attorneys of Sughrue and the Parties have taken place during meetings between counsel and representatives of a member company, as well as in group settings with representatives of the Parties present.

10. The Parties agreed to keep all communications and information exchanged among the members in furtherance of the common interest confidential, including all advice of counsel. I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct and, if called as a witness, I could and would testify hereto.


Robert M. Masters

Executed on 12/23/02

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

In the Matter of

RAMBUS INCORPORATED,

a corporation.

Docket No.: 9302

DECLARATION OF DAVID A. ASHMORE

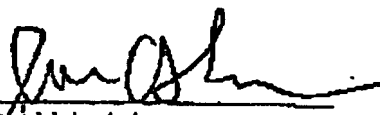
David A. Ashmore declares as follows:

1. I am currently Associate General Counsel, Litigation and Antitrust in the legal department of Micron Technology, Inc.
2. I have been in-house counsel for Micron since May 1999.
3. During my employment with Micron, I worked on legal issues relating to Micron's membership in a joint development group called Advanced DRAM Technology ("ADT").
4. The ADT membership consisted of the following companies: Micron, Infineon, Intel, Samsung, NEC (now Elpida), and Hyundai (now Hynix) (collectively "the Companies").
5. The work I performed relating to ADT included analyzing and providing advice regarding legal issues of common interest to the Companies as members of ADT. The issues for which I provided advice included contractual issues related to draft contracts between ADT and third parties, draft contracts among the ADT members, and amendments of existing ADT contracts.

6. On several occasions, I directly communicated legal advice regarding ADT to representatives of the other Companies with the understanding that such communications were pursuant to the common legal interests of the Companies, and that such communications would be maintained in confidence and disseminated only to individuals within the other Companies that were involved in the work of ADT. In turn, representatives of the other Companies shared legal analysis and advice on issues of common interest relating to ADT with representatives of Micron, including me, who were involved in the work of ADT. I, and to the best of my knowledge, the other representatives of Micron maintained this advice in confidence.

7. I also provided advice to Micron representatives with ADT responsibilities relating to certain issues of common interest to the ADT members with the understanding that it would be transmitted to representatives of the other Companies who also possessed responsibilities relating to ADT. It was my understanding that these representatives agreed to maintain the communications in confidence and limit dissemination of these communications to individuals involved in the work of ADT.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct and, if called as a witness, I could and would testify hereto.


David A. Ashmore

Executed on 12/23/2002

Exhibit 6

McCombs, David L. et al., *The New Role of Reexamination in Patent Litigation*, presented at 2006 Advanced Patent Law Institute.

Presented:
2006 ADVANCED PATENT LAW INSTITUTE
UNITED STATES PATENT AND TRADEMARK OFFICE
November 16-17, 2006
Alexandria, VA

THE NEW ROLE OF REEXAMINATION
IN PATENT LITIGATION

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¹ This paper represents the individual views of its authors, and does not purport to represent the views of Haynes and Boone, L.L.P. or any of its clients.

The New Role of Reexamination in Patent Litigation

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APPENDIX A - USPTO *Ex Parte* Reexamination Filing Data - June 30, 2006

APPENDIX B - USPTO *Inter Partes* Reexamination Filing Data - June 30, 2006

THE NEW ROLE OF REEXAMINATION IN PATENT LITIGATION²

I. INTRODUCTION

In 2005, the U.S. Patent and Trademark Office formed a Central Reexamination Unit for improving the quality and efficiency of the patent reexamination process. Litigants are increasingly using *inter partes* and *ex parte* reexamination as an avenue to challenge patent validity, especially in highly technical cases that may be difficult for juries. Presented here is a look at the new role of reexamination in patent litigation including practitioner perspectives on improving the reexamination process, litigation strategies, and the interplay between reexamination and litigation at all stages of the proceedings.

Reexamination may be an attractive option for a patent defendant under the right circumstances. As an administrative proceeding, it opens up a new front in the case that can create additional levels of uncertainty for the plaintiff-patentee in terms of time to trial, estoppels, claim construction, and intervening rights. It also creates a separate opportunity for preservation of rights on appeal by the defendant.³ However, reexamination is not without risk. As for *ex parte* reexamination, it is often regarded as insufficient because after a reexamination is ordered, the third party's participation is limited to one statutory reply prior to examination, which may only be filed if the patent owner files a pre-examination optional statement. The *inter partes* reexamination procedure was intended to address this apparent defect. It provides an inexpensive way, as compared with litigation, for a third party who discovers new prior art to challenge the patent and to participate both in the examination and appeal stages of the proceeding. But *inter partes* reexamination has not been pursued routinely for fear it will backfire with an affirmation of the patent claims by the Patent Office, and create estoppel in the litigation as to any ground or issues the requester raised or "could have raised."⁴ As a

² October 23, 2006. Authored by David L. McCombs and David M. O'Dell.

³ In 2002, in order to make the optional *inter partes* reexamination procedures a more attractive alternative to litigation, the *inter partes* reexamination practice was expanded to provide third parties the right to appeal to the U.S. Court of Appeals for the Federal Circuit and to participate in the patent owner's appeal to the Court. See, 21st Century Department of Justice Appropriations Authorization Act, Pub. L. 107-273, 116 Stat. 1758, 1899-1906 § 13202 (2002).

⁴ An estoppel adverse to a third-party requester (which does not exist in *ex parte* reexamination) will attach in the case of an *inter partes* reexamination, if the requester is unsuccessful in the *inter partes* reexamination proceeding. The requester is estopped from later asserting in any civil action, or in a subsequent *inter partes* reexamination, the invalidity of any claim finally determined to be valid and patentable on any ground the third-party requester raised or could have raised in the *inter partes* reexamination. 35 U.S.C. § 315(c) (2006). Also, the requester might be estopped from later challenging in a civil action any "fact" determined in the *inter partes* reexamination. See, House Report 106-464 - Intellectual Property and Communications Omnibus Reform Act of 1999, Subtitle F - Optional *Inter partes* Reexamination Procedure, § 4607 (uncodified).

THE NEW ROLE OF REEXAMINATION IN PATENT LITIGATION

result, neither *ex parte* nor *inter partes* reexamination has been utilized to the degree envisioned when enacted by Congress.

Recently though, more litigants are using the reexamination procedure.⁵ A new look at reexamination is further being fueled by shifts at the Patent Office to improve patent quality,⁶ the formation of the Central Reexamination Unit for the purpose of improving the reexamination process,⁷ and a general recognition of the high percentage of reexamination requests being granted.⁸ Although the *inter partes* reexamination procedure is too new to provide meaningful statistics on ultimate outcomes, circumstances suggest that the Patent Office is taking clear steps to make both forms of reexamination an attractive option for challenging patents in today's environment.

As part of the defense strategy, a threshold inquiry is whether or not a reexamination should be filed. If so, the analysis proceeds with what type or types of reexamination to file, how to prepare a request with the highest chances of success, how to craft the request to best drive important claim construction issues in the case, and when to file the request. Also for consideration is the impact the reexamination might have on the development of other defenses including inequitable conduct, on-sale bar, prior public use, and how to best maximize such parallel defenses. Additionally, other scenarios need to be addressed, including how to reduce the effect of a reexamination not being granted for a particular claim, and claim amendments.

II. THE REEXAMINATION PROCESS

Reexamination is one of four ways by which a patent can be "corrected" or amended.⁹ Reexamination is unique in that it can be requested by anyone, and not just

⁵ While only 53 *inter partes* reexamination requests were filed in the first five years that the procedure was available, more than 75 new *inter partes* requests have been filed between Jan.-Sep. 2006. See, United States Patent And Trademark Office Report To Congress On *Inter partes* Reexamination available at http://www.uspto.gov/web/offices/dcom/olia/reports/reexam_report.htm.

⁶ Patent Quality Improvement Hearing Before the Subcommittee on Courts, the Internet, and Intellectual Property of the Committee of the Judiciary, House of Representatives, 108th Congress, First Session, July 24, 2003 (available at: <http://www.house.gov/judiciary>).

⁷ *USPTO Improves Process For Reviewing Patents*, Press Release #05-38 dated July 29, 2005, United States Patent and Trademark Office. ("The 20-examiner [central reexamination] unit began operating earlier this week and all new requests for reexamination will be assigned to them." . . . "In addition, all future reexamination proceedings will be completed within a specific timeframe, which is expected to be less than two years.").

⁸ See, <http://www.uspto.gov/web/offices/pac/dapp/patentlegaladminmain.html>. Ninety-one percent and ninety-five percent of requests for *ex parte* and *inter partes* reexaminations, respectively, are granted according to recent government statistics. See also, *infra*, Appendix A.

⁹ The four ways are: 1) reexamination; 2) reissue; 3) certificate of correction; and 4) disclaimer. See generally, Patent & Trademark Office, Manual of Patent Examining Procedure, Ch. 1400 (8th Ed., Rev. 3, August 2005) ("MPEP").

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the patent owner.¹⁰ There are two types of reexamination: *Ex parte* reexamination and *inter partes* reexamination. *Ex parte* reexamination is available for all pending patents, while *inter partes* reexamination is only available for patents "issued from an original application filed in the United States on or after November 29, 1999."¹¹

A. *EX PARTE* REEXAMINATION

Congress enacted *ex parte* reexamination in 1980 by the creation of 35 U.S.C. §§ 301-307. The Rules of Practice governing *ex parte* reexamination are provided in 37 C.F.R. 1.510 - 1.570. The Manual of Patent Examining Procedure (MPEP) provides additional detail in Chapter 2200, titled "Citation of Prior Art and *Ex parte* Reexamination of Patents."

An *ex parte* reexamination is initiated by filing a "Request for Reexamination." The request must identify a "substantial new question of patentability" affecting any claim of the patent concerned, based on patents and publications.¹² The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.¹³ Anyone, including the patentee, may initiate *ex parte* reexamination and provisions are available for keeping the requester's identity confidential.¹⁴ Multiple requests for *ex parte* reexamination can be filed, as long as each request raises a substantial new question of patentability¹⁵ and as long as the second or subsequent request was not filed for purposes of harassment of the patent owner.¹⁶ It is not unusual for multiple requests to be merged into a single proceeding.¹⁷ Issues not based on patents or printed publications,

¹⁰ An interference proceedings can also be initiated by a third party, but this proceeding has a different set of requirements that is beyond the scope of the present paper. 35 U.S.C. § 135. *See also*, MPEP Ch. 2300.

¹¹ 37 C.F.R. § 1.913 (2004).

¹² 35 U.S.C. § 303 (2006).

¹³ 35 U.S.C. § 303 (2006).

¹⁴ 37 C.F.R. § 1.501 (2004).

¹⁵ *See*, 37 C.F.R. § 1.565(c) (2004). Note, however, that the same prior art reference may be used to start a second reexamination during the pendency of the first reexamination "only if the prior art cited raises a substantial new question of patentability which is different than that raised in the pending reexamination proceeding." MPEP § 2240.

¹⁶ *See*, MPEP § 2240.

¹⁷ 37 C.F.R. § 1.989 (2004).

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such as inventorship, inequitable conduct, enablement, written description, and best mode are not considered when making the determination on the request for reexamination.¹⁸

Upon filing a request for *ex parte* reexamination, the Director of the Office will make a determination whether or not a substantial new question of patentability affecting any claim is raised by the request, and then enter an order granting or denying the request, within 90 days.¹⁹ If granted, the order will identify which claims are subject to reexamination, and at least one reference supporting the grant of the reexamination. Upon a grant order for reexamination, within two months of service the patent owner optionally may file a "statement" on such question, including any narrowing claim amendments or new claims for consideration, a cancellation of claims, or a correction of inventorship.²⁰ If (and only if) the patent owner files such a statement, within two months thereafter the requester may file and have considered a reply to the patent owner's statement.²¹ Otherwise, the requester is no longer able to participate in the reexamination, nor any appeals therefrom. Following the grant and any responses or replies, the examiner will issue an Office action. Subsequent prosecution of an *ex parte* reexamination by the patent owner is similar to that of a utility patent application, with some differences in amendment formats and timing.

Reexamination proceedings, including any appeals, are to be conducted with special dispatch within the Office.²² In addition to the use of accelerated time limits, to bring the prosecution to a speedy conclusion "it is intended that the second Office action in the reexamination proceeding following the decision ordering reexamination will be made final[.]"²³ Current statistics for *ex parte* reexamination (discussed below) show an average pendency time of 23 months from the initial order to the issuance of a reexamination certificate.

A flow chart describing the steps in an *ex parte* reexamination procedure is provided below, with timings listed to the right of the chart. The timings are provided

¹⁸ See, MPEP § 2217. The requirements of 35 U.S.C. § 112 can be addressed for the purpose of determining a priority date of a claim, if the application is a continuation, divisional, or continuation-in-part of another application. *Id.* Also, the patent owner can make corrections to inventorship during the reexamination. 37 C.F.R. § 1.530(l) (2004).

¹⁹ See, 35 U.S.C. § 303(a) (2006) and 37 C.F.R. § 1.515(a) (2004).

²⁰ See, 35 U.S.C. §§ 304, 305 (2006) and 37 C.F.R. § 1.530 (2004).

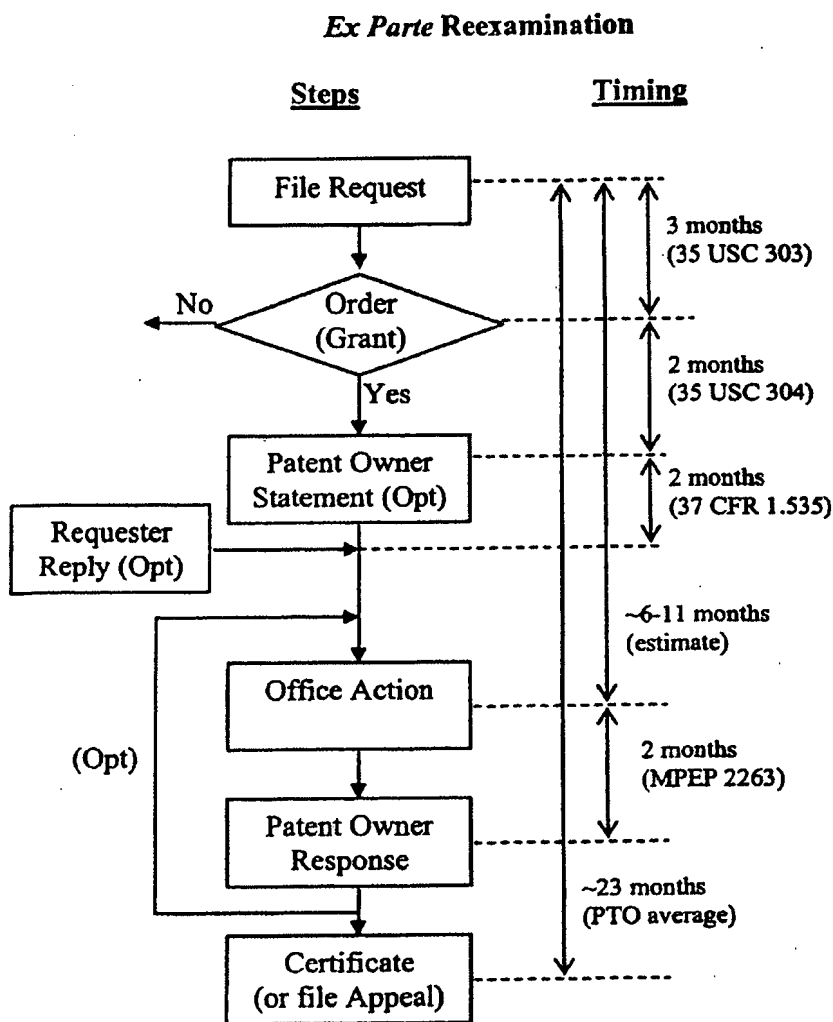
²¹ See, 35 U.S.C. § 304 (2006) and 35 C.F.R. § 1.535 (2004).

²² See, 35 U.S.C. § 305 (2006). See also, 37 C.F.R. §§ 1.111, 1.550, 1.956 (2004); and MPEP §§ 2266, 2647.01. Office Actions should be produced with "special dispatch." Special dispatch also means that the patent owner may obtain time extensions only for good cause shown, and the requester cannot get time extensions.

²³ See, MPEP § 2271.

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directly from the applicable rules and/or statutes, except for the estimated and average times so indicated.²⁴



Arguably, the biggest drawback of *ex parte* reexamination is the inability of a third party requester to remain involved in the process. This drawback is squarely addressed by the creation of the *inter partes* reexamination process, discussed below.

²⁴ See the following section titled "Reexamination Statistical Analysis," which provides further support for the estimated and PTO average times given.

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B. *INTER PARTES* REEXAMINATION

Congress enacted the *inter partes* reexamination procedure in 1999 as set forth in 35 U.S.C. §§ 311-318. The Rules of Practice governing *inter partes* reexamination are provided in 37 C.F.R. 1.902-1.997. The Manual of Patent Examining Procedure (MPEP) provides additional detail in Chapter 2600, entitled “Optional *Inter partes* Reexamination.”

Inter partes reexamination includes many similarities to *ex parte* reexamination but, as its name implies, allows for participation by the requester throughout the process. Another significant difference is that the patent owner cannot provide a patent owner statement between an order granting reexamination and the first Office action. Typically, an order granting *inter partes* reexamination is issued by the Office along with the first Office action.

As with *ex parte* reexamination, an *inter partes* reexamination is initiated by filing a “Request for Reexamination” that will be granted if the request raises a “substantial new question of patentability” based on published prior art references.²⁵ Issues of inventorship, inequitable conduct, enablement, written description, and best mode as a basis for invalidity cannot be raised.²⁶

A third-party requester can only file one request for *inter partes* reexamination, unless it can be shown that the requester could not have raised the issue at the time of filing the prior request.²⁷

A flow chart describing the steps in an *inter partes* reexamination procedure is provided below, with timings listed to the right of the chart. The timings are provided directly from the applicable rules and/or statutes, except for the estimate and average times so indicated.²⁸

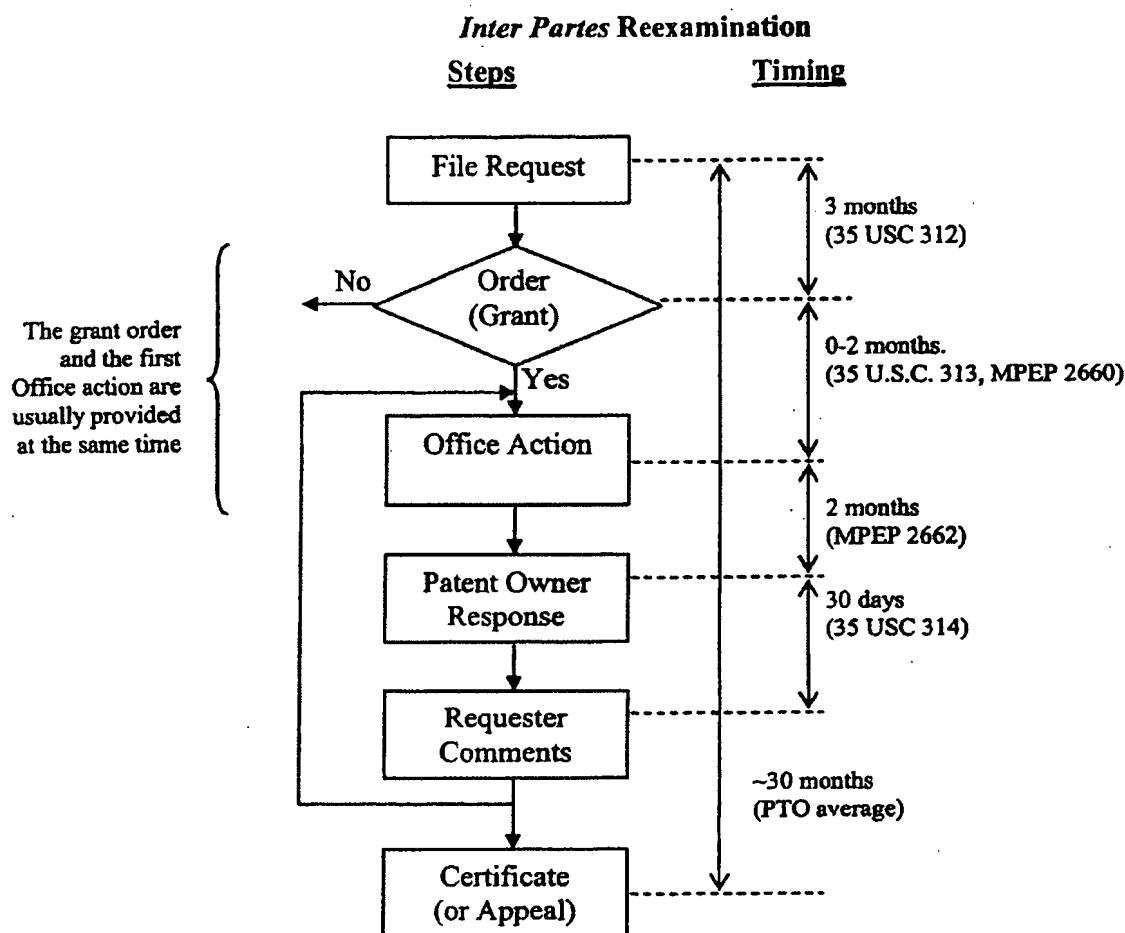
²⁵ 35 U.S.C. § 312 (2006).

²⁶ See, MPEP §§ 2616, 2617. However, the requirements of 35 U.S.C. § 112 can be addressed for the purpose of determining a priority date of a claim, if the application is a continuation, divisional, or continuation-in-part of another application. See, MPEP § 2617. Also, it is noted that the patent owner can make corrections to inventorship during the reexamination. 37 C.F.R. § 1.530(l) (2004).

²⁷ 37 C.F.R. § 1.907 (2004). See the following section titled “Estoppel to Bring *Inter Partes* Reexamination” for further analysis.

²⁸ See the following section titled “Reexamination Statistical Analysis,” which provides further support for the estimated and PTO average times given.

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Speedy First Action. In *inter partes* reexamination, the first Office action is usually provided at the same time as the order for grant, within 90 days following the filing of the request.²⁹ As compared with *ex parte* reexamination, the result can be a much faster initial rejection of the claims.³⁰

Third Party Participation. Throughout the *inter partes* reexamination process, the requester remains involved with substantive communications between the patent owner and the Patent Office. Specifically, 35 U.S.C. § 314 states:

²⁹ See 35 U.S.C. § 312; 37 C.F.R. § 1.935 (2004). The first Office action can be delayed up to 2 months after the order. MPEP § 2660.

³⁰ In an *ex parte* reexamination, it is not unusual for an Office action to be provided 6-11 months after filing. See, e.g., the transaction histories of Reexam Ser. Nos. 90/007,300 and 90/007,310, which are publicly available on the Public Patent Application Information Retrieval ("Public PAIR") website at <http://portal.uspto.gov/external/portal/pair>.

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Each time that the patent owner files a response to an action on the merits from the Patent and Trademark Office, the third-party requester shall have one opportunity to file written comments addressing issues raised by the action of the Office or the patent owner's response thereto, if those written comments are received by the Office within 30 days after the date of service of the patent owner's response.

The third-party requester can comment on the Office action, the patent owner's response, or both. This involvement continues through the appeal process, and even includes the ability of the third party requester to participate in appeals initiated by the patent owner and to file appeals to the board of patent appeals and interferences (BPAI) and to the Court of Appeals for the Federal Circuit.³¹ Note, however, that for some filings and Patent Office actions, such as requests for extensions of time by the patent owner or their grant, the third party requester is not entitled to comment.³²

Third Party Estoppel and Litigation. Estoppels that attach in *inter partes* reexamination are the most controversial aspect of the procedure and are "the most frequently identified inequity that deters third parties from filing requests for *inter partes* reexamination of patents."³³

Res Judicata Effect of Reexamination

35 U.S.C. § 315(c) states:

A third-party requester whose request for an *inter partes* reexamination results in an order under section 313 is estopped from asserting *at a later time*, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or *could have raised* during the *inter partes* reexamination proceedings. This subsection does not prevent the assertion of invalidity based on newly discovered prior art *unavailable* to the third-party requester and the Patent and Trademark Office at the time of the *inter partes* reexamination proceedings. (Emphasis added.)

To preclude unnecessary litigation, section 315(c) provides that a third-party requester who is granted an *inter partes* reexamination may not assert at a later time in any civil action the invalidity of any claim finally determined to be patentable on any ground that the third-party requester raised or could have raised during the *inter partes*

³¹ 35 U.S.C. § 315 (2006).

³² See, e.g., MPEP § 2665.

³³ United States Patent and Trademark Office Report To Congress on Inter Partes Reexamination at: http://www.uspto.gov/web/offices/dcom/olia/reports/reexam_report.htm.

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reexamination. However, invalidity may be asserted based upon newly discovered prior art unavailable to the requester and the Office at the time of the reexamination.

The provisions of section 315(c) are unclear in several respects and their scope has yet to be tested. A breakdown of the important considerations are as follows:

- ***“at a later time.”*** The third-party requester is estopped from asserting “at a later time” in a civil action the invalidity of a claim finally determined to be valid in an *inter partes* reexamination. This language does not appear to preclude the pursuit of identical assertions of invalidity in a co-pending litigation matter. The only litigation assertions estopped are those made after a final determination in reexamination, following appeals (if any) to the BPAI and the Court of Appeals for the Federal Circuit.³⁴
- ***“could have been raised” estoppel.*** The third-party requester is estopped from asserting at a later time in litigation the invalidity of a patent claim finally determined to be patentable as to all issues which were raised or “could have been raised” during the reexamination proceeding. The “could have been raised” language may be construed to mean that if all possible anticipatory features of a reference, and all possible permutations of obviousness combinations and their motivations to combine, are not explicitly argued in reexamination then they are not later assertable in litigation.

More problematic however is a concern that this “could have been raised” language might be broadly construed to include newly uncovered prior art that “could have been found earlier” through prior art searching; and therefore should have been submitted in reexamination. The outcome of this inquiry also implicates the statutory meaning of the estoppel exception for newly discovered art “unavailable” to the requester and the USPTO, addressed below. The current USPTO position on the meaning of “could have been raised” was posted in the Official Gazette and states: “The question of whether an issued could have been raised must be decided on a case by case basis, evaluating all the facts of each individual situation.”³⁵

- ***“unavailable” prior art exception to estoppel.*** An exception to the estoppel provisions are that they do not prevent assertions of invalidity in

³⁴ To the extent there is any ambiguity on this point, it is addressed in a proposed amendment that would make clear estoppel is effective only after there has been a “final decision in an *inter partes* reexamination proceeding that is favorable to the patentability of any original or proposed amended or new claim of the patent.” See, H.R. 2231 § (c)(1).

³⁵ United States Patent and Trademark Office Report To Congress on Inter Partes Reexamination at: http://www.uspto.gov/web/offices/dcom/olia/reports/reexam_report.htm, citing *Official Gazette* 1234:97 (May 23, 2000).

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litigation based on newly discovered prior art “unavailable” to the third-party requester and the Office at the time of the reexamination. Under a broad interpretation though, it might be argued that a reference which is simply “available” in a database, even though not discovered by the requester, by definition is not “unavailable” to the requester. Therefore it invokes a “could have been raised” estoppel (as recited above).

In a PTO sponsored round table discussion on this issue held February 17, 2004, the round table participants raised the yet unanswered question: “How extensive would a prior art search have to be in order to avoid a ‘could have been raised’ estoppel, or to satisfy the ‘unavailable’ prior art exception?”³⁶ The discussion presumes an affirmative duty to search, which may or may not exist. According to the applicable Congressional Record, “unavailable” prior art is defined as prior art that was “. . . not known to the individuals who were involved in the . . . inter partes reexamination proceeding on behalf of the third-party requester and the USPTO.”³⁷

The Patent and Trademark Office acknowledges “the estoppel provisions should be better defined” and “recommends that Congress further define the extent and nature of estoppel risks imposed upon third parties requesting inter partes reexamination of a patent.”³⁸

Estoppel to Bring *Inter Partes* Reexamination

35 U.S.C. § 317(b) states:

(b) FINAL DECISION.—Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an inter partes reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an inter partes reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or inter partes reexamination proceeding, and an inter partes reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other

³⁶ United States Patent and Trademark Office Report To Congress on Inter Partes Reexamination at: http://www.uspto.gov/web/offices/dcom/olia/reports/reexam_report.htm.

³⁷ United States Patent and Trademark Office Report To Congress on Inter Partes Reexamination at: http://www.uspto.gov/web/offices/dcom/olia/reports/reexam_report.htm, citing S. 1948 (Cong. Rec. 17 Nov. 1999: S14720).

³⁸ United States Patent and Trademark Office Report To Congress on Inter Partes Reexamination at: http://www.uspto.gov/web/offices/dcom/olia/reports/reexam_report.htm.

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provision of this chapter [35 U.S.C. § 311 et seq.]. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the *inter partes* reexamination proceedings.

Section 317(b) sets forth conditions by which *inter partes* reexamination is prohibited to guard against harassment of a patent holder. If a third-party requester asserts patent invalidity in a civil action and a final decision is entered that the party failed to prove the assertion of invalidity, or if a final decision in *inter partes* reexamination instituted by the requester is favorable to patentability, after any appeals, that third party requester cannot thereafter request or maintain *inter partes* reexamination on the basis of issues which were or could have been raised. However, the third-party requester may assert invalidity based on newly discovered prior art unavailable at the time of the civil action or prior *inter partes* reexamination.

C. SUBSTANTIAL NEW QUESTION OF PATENTABILITY

The presence or absence of “a substantial new question of patentability” determines whether or not a reexamination is ordered.³⁹ A refusal to declare a reexamination by the reviewing examiner may be petitioned to the Director.⁴⁰ The determination of the Director on this issue is not appealable.⁴¹

Criteria For Deciding Request

The meaning and scope of the term “a substantial new question of patentability” is not statutorily defined and is determined by the Office on a case-by-case basis. The criteria for deciding the existence of a “substantial new question of patentability” is the same for both *ex parte* and *inter partes* proceedings.

A prior art patent or printed publication raises a substantial new question of patentability where:

- (a) “a reasonable examiner would consider the teaching to be important in deciding whether or not the claim is patentable;” and
- (b) “the same question of patentability as the claim has not been decided by the office in a previous examination or pending reexamination of the patent or in

³⁹ 35 U.S.C. § 304 (2006).

⁴⁰ 37 C.F.R. § 1.927 (2004).

⁴¹ 35 U.S.C. § 312 (c) (2004).

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final holding of invalidity by the Federal Courts in a decision on the merits involving the claim.”⁴²

The meaning of “a substantial new question of patentability” is further clarified by certain guidelines, as outlined below.

Prima Facie Unpatentability Not Required. It is not necessary that a “prima facie” case of unpatentability exist as to the claim in order for “a substantial new question of patentability” to be present as to the claim. Thus, a “substantial new question of patentability” as to a patent claim could be present even if the examiner would not necessarily reject the claim as fully anticipated by, or obvious in view of, the prior art patents or printed publications.⁴³

Note, however, that in the case of *inter partes* reexamination, a first Office action on the merits “will ordinarily be mailed together with the order granting reexamination.”⁴⁴

One Claim Sufficient. A patent or printed publication that applies to at least one claim of the patent will be sufficient to warrant the reexamination of all claims in the patent.⁴⁵

“Old Art” as a Basis for Reexamination. “The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.”⁴⁶ A substantial new question (SNQ) of patentability is often based on art previously considered/cited in an earlier concluded Office examination (hereinafter referred to as “old art”).⁴⁷ “For example, a SNQ may be based solely on old art where the old art is being presented/viewed in a new light, or in a different way, as compared with its use in the earlier concluded examination(s), in view of material new argument or interpretation presented in the request.”⁴⁸

⁴² MPEP §§ 2242; 2642 (emphasis in original).

⁴³ MPEP §§ 2242; 2642.

⁴⁴ MPEP § 2660.

⁴⁵ MPEP §§ 2216, 2258.

⁴⁶ 35 U.S.C. § 303(a) (2002).

⁴⁷ The term “old art” is used in the MPEP and was coined by the Federal Circuit in *In re Hiniker*, 150 F.3d 1362 (Fed. Cir. 1998). Public Law 1107-273, 116 Stat. 1758, 1899-1906 (2002) expanded the scope of what may raise a SNQ to include old art.

⁴⁸ MPEP §§ 2242; 2642.

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Evidence Supporting Request

Mere citation of a prior art reference, without explanation, is not sufficient to warrant reexamination.⁴⁹ Furthermore, prior art that serves only to provide evidence of prior public use is not sufficient to warrant reexamination. The MPEP warns the examiner to carefully analyze the reference to make sure that it is not "merely used as evidence of alleged prior public use or on sale."⁵⁰

Affidavits. Affidavits or declarations of an expert, in conjunction with a prior art patent or printed publication, may be used to determine if a substantial new question of patentability exists. Affidavits or declarations are routinely used to:

- Explain the contents of the prior art, including inherent features;
- Support the publication date of a reference;
- Address the motivation to combine references;
- Address the adequacy of the patent disclosure when seeking to break the chain of priority based on 35 U.S.C. § 112; and
- Counter any assertions of secondary considerations, such as commercial success.⁵¹

Admissions. Admissions of the patent owner, if in conjunction with a prior art patent or printed publication, may establish the basis for a substantial new question of patentability.⁵² Any admission submitted by the third-party requester may not be outside the record of the file or the court record.⁵³

D. EXAMINATION ON THE MERITS

Once reexamination is ordered, the examination on the merits is dictated by 35 U.S.C. § 305, and conducted according to the procedures established for initial examination. As explained above in II.A., the proceeding is conducted with special dispatch and, if it is an *inter partes* reexamination, no interviews are permitted.

⁴⁹ MPEP §§ 2217, 2617.

⁵⁰ MPEP §§ 2217, 2617.

⁵¹ See, e.g., MPEP §§ 2205, 2258, 2616, 2617, 2660.

⁵² MPEP §§ 2217, 2617.

⁵³ MPEP §§ 2217, 2617.

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An explicit intent of the reexamination procedures is “to maximize respect for the reexamined patent.”⁵⁴ Although not explained, this statement does not infer any “presumption of validity” to the patent being reexamined. In reexamination, “there is no presumption of validity and the ‘focus’ of the reexamination ‘returns essentially to that present in an initial examination.’”⁵⁵ Reexamination by definition is just that, and requires the examiner to apply the same analysis as for an original examination.

17 C.F.R. § 1.104 (2004) states:

On taking up an application for examination or a patent in a reexamination proceeding, the examiner shall make a thorough study thereof and shall make a thorough investigation of the available prior art relating to the subject matter of the claimed invention. The examination shall be complete with respect both to compliance of the application or patent under reexamination with applicable statutes and rules and to the patentability of the invention as claimed, as well as to matters of form, unless otherwise indicated.

The reexamination procedures also include the following features:

- **Examiner Assignment Policy.** “It is the policy of the Office that the SPE will assign the reexamination request to an examiner different from the examiner(s) who examined the patent application.”⁵⁶
- **Patentability Review Conferences.** A “patentability review conference” will be convened at two stages of the examination in an *ex parte* reexamination proceeding. First, just prior to issuing a final rejection; and second, just prior to issuing a Notice of Intent to Issue.⁵⁷ The conference will consist of the examiner and two other conferees chosen by the supervisory primary examiner (SPE). The purpose of the conference is explained in the MPEP: “Review of the patentability of the claims by more than one primary examiner should diminish the perception that the patent owner can disproportionately influence the examiner in charge of the proceeding. The conferences will also provide greater assurance that all matters will be addressed appropriately.”⁵⁸

⁵⁴ See, MPEP § 2209.

⁵⁵ *Ethicon, Inc. v. Quigg*, 849 F.2d 1422 (Fed Cir. 1988), citing *In re Etter*, 756 F.2d 852, 857 (Fed. Cir. 1995).

⁵⁶ See, MPEP § 2236. See also, exceptions to this general policy.

⁵⁷ See, MPEP § 2271.01.

⁵⁸ *Id.*

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During reexamination, claims are “given their broadest reasonable interpretation consistent with the specification and limitations in the specification are not read into the claims.”⁵⁹

As indicated above with respect to determining the existence of a SNQ, admissions of the patent owner in the USPTO or court record as to matters affecting patentability may be utilized in a reexamination proceeding.⁶⁰

E. APPEAL

In *ex parte* reexamination, only the patent owner, not the third party requester, may appeal to the Board of Appeals and Patent Interferences, and ultimately to the Court of Appeals for the Federal Circuit, for review of the examiner’s decision.⁶¹

In *inter partes* reexamination, the third party requester also has the right to appeal to the Board and to the Federal Circuit.⁶² The third party requester may also participate in and oppose an appeal by the patent owner.⁶³

A recent article raises the interesting question of whether the Federal Circuit might reach different results on two appeals involving the same patent, one from a reexamination and the other from a district court.⁶⁴ In the proposed hypothetical, one appeal is from a reexamination in which the Office held the patent invalid, after the Office applied the evidentiary standard in which no deference need be given to the Office’s own prior work in issuing the original patent. The other appeal is from a federal court upholding the validity of the patent (presumably on the same prior art) after applying a clear and convincing evidence standard, and the presumption of validity. In the two appeal scenarios, would the Federal Circuit apply different standards of review, and reach different outcomes? Probably so. The authors suggest that in scenario one, the Federal Circuit should give deference to the an agency (PTO) decision and would likely uphold the invalidity, while in scenario two, the Federal Circuit should apply the clear and convincing standard and would likely uphold the decision of validity. They further note that no *inter partes* reexaminations have yet been ruled on by the Federal Circuit, and so this issue has yet to be addressed.⁶⁵ As a practical matter, it is likely the Federal

⁵⁹ MPEP § 2258, citing *In re Yamamoto*, 740 F.2d 1569 (Fed. Cir. 1984).

⁶⁰ 37 C.F.R. § 1.104(c)(3) (2004).

⁶¹ 35 U.S.C. §§ 306, 141.

⁶² *Id.*

⁶³ 35 U.S.C. § 315(b).

⁶⁴ See, *Inter Partes Reexamination in the United States*, Sherry M. Knowles, Thomas E. Vanderbloemen, and Charles E. Peeler, 86 J. Pat. & Trademark Off. Soc’y 611 (2004).

⁶⁵ *Id.*

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circuit would consider the full record of both proceedings in applying the standard of review for the appeal at issue.

F. POTENTIAL CHANGES THAT MAY AFFECT THE REEXAMINATION PROCESS

Both the Patent Office and Congress are proposing future statutory and rule changes that, if enacted, will affect the reexamination process.

When Congress enacted the American Inventors Protection Act of 1999, Congress required the Patent Office to submit, within five years of the enactment, a report evaluating whether *inter partes* reexamination proceedings were “inequitable to any of the parties,” and if so, “recommendations for changes.”⁶⁶ The Patent Office’s Report to Congress recommends an enhanced post-grant review process that is more comprehensive than, and different from, reexamination. It would include “closely controlled discovery and cross-examination.”⁶⁷

Along these lines, the Committee Print of The Patent Act of 2005 (HR 2795) proposes a new post grant review law in the form of an “opposition” procedure that provides a post-grant right to oppose an issued patent within 9 months after the grant.⁶⁸ The issues that may be considered in the opposition include invalidity based on double patenting and any of the requirements for patentability under sections 101, 102, 103, 112, and the fourth paragraph of section 251.⁶⁹ Requests for reexamination filed by a third party during the nine month period shall be treated as a request for opposition, and no reexamination may be ordered based on such request.⁷⁰ No such legislation has yet been enacted.

Also, the PTO recently proposed new rules directed to revisions and technical corrections affecting reexamination proceedings.⁷¹ The rules include a proposal to provide a patent owner the opportunity to reply to a request for an *ex parte* or *inter partes* reexamination prior to the examiner’s decision on the request.⁷² The Office believes the opportunity for a patent owner reply could improve the information available to the

⁶⁶ See, United States Patent and Trademark Office Report to Congress On *Inter partes* Reexamination available at http://www.uspto.gov/web/offices/dcom/olia/reports/reexam_report.htm at 1.

⁶⁷ *Id.* at 8.

⁶⁸ See, H.R. 2795, 109th Cong. (2005), Section 9 and Appendix C.

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ 71 Fed. Reg. 16072 (March 30, 2006).

⁷² *Id.*

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Office in determining whether to grant reexamination, reducing the number of unnecessary reexaminations.⁷³ The American Intellectual Property Law Association (AIPLA) submitted comments in disagreement with this proposal. According to the AIPLA, "the PTO should not bias the *ex parte* proceeding in further favor of the patent owner, and should not take steps that will create additional and unnecessary burdens on the reexamination unit that are likely to further weaken the incentives for third parties to provide useful information relevant to patentability to the PTO."⁷⁴

III. REEXAMINATION STATISTICAL ANALYSIS

A. TIMING AND RESULTS FOR *EX PARTE* AND *INTER PARTES* PROCEDURES

The Patent Office provides statistical information for both *ex parte* and *inter partes* reexaminations, reproduced in the Appendices A and B for the period through June 30, 2006. Selected information is summarized as follows:

Ex Parte Reexamination (Third Party Requester)

91%	Percentage of requests for reexamination granted
29%	Percentage of reexaminations with all claims confirmed as valid
12%	Percentage of reexaminations completed with all claims canceled
59%	Percentage of reexaminations completed with claims amended
23 mos.	Average pendency from filing to certificate being issued
6-11 mos.	Recent average time delay between filing and first Office action ⁷⁵

⁷³ *Id.* at 16073.

⁷⁴ Letter to The Honorable Jon W. Dudas from Michael K. Kirk, Executive Director, American Intellectual Property Law Association, May 30, 2006.

⁷⁵ This data point is not directly reported by the Patent Office, but represents an estimate based upon the length of time to first action for the *ex parte* reexaminations filed in the April-May 2005 time frame. The range of time to first action is between 6 months and 18 months, excluding from consideration any reexaminations that have "unusual" filings, such as a patent owner statement or petitions. Over 70% of the first actions occurred in the 6-11 month time frame.

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***Ex Parte* Reexamination (USPTO Commissioner Requested)**

13%	Percentage of reexaminations with all claims confirmed as valid
19%	Percentage of reexaminations completed with all claims canceled
68%	Percentage of reexaminations completed with claims amended

***Inter Partes* Reexamination⁷⁶**

93%	Percentage of requests for reexamination granted
0%*	Percentage of reexaminations with all claims confirmed as valid
100%*	Percentage of reexaminations completed with all claims canceled
0%*	Percentage of reexaminations completed with claims amended
30 mos.	Average pendency from filing to certificate being issued

* This data may not be statistically meaningful since as of June 30, 2006, only 3 *inter partes* reexaminations have resulted in issuance of a certificate.

B. LITIGATION VERSUS REEXAMINATION OUTCOMES

Litigation Statistics⁷⁷

34%	Percentage of patents where all asserted claims were ruled invalid over prior art patents and publications
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One caveat when comparing the litigation statistics to the reexamination statistics is that the patent owner is allowed to amend the claims in reexamination, but not in

⁷⁶ Per the statistical information provided by the Patent Office, as of June 30, 2006, a total of 152 *inter partes* reexaminations requests had been filed, with just 3 resulting in issuance of a certificate. As of October 10, 2006, there are 7 issued *inter partes* reexamination certificates, plus two with intent to issue.

⁷⁷ See, <http://www.patstats.org>. The data is for the years 2004, 2005, and the first quarter of 2006.

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litigation.⁷⁸ With this caveat in mind, the above-listed statistics can be summarized as follows:

Chart Comparing *Ex Parte* Reexamination (Third Party Requested) To Litigation

71%	Percentage of patents in <u>reexamination</u> that resulted in a change of claim scope (claims were either amended or canceled)
59%	Percentage of patents in <u>reexamination</u> that resulted in claim amendments being made
12%	Percentage of patents in <u>reexamination</u> that resulted in all claims being cancelled
34%	Percentage of patents in <u>litigation</u> that resulted in all asserted claims ruled invalid over prior art patents and publications

It is noted that the reexamination statistics are directed to all claims, while the litigation statistics are directed only to asserted claims. Patents are likely to include some narrow claims that would not be asserted in litigation, but could survive reexamination. Also, for the patents with claims amended during reexamination, it is not known if the amended claims would still be of concern to the third party requester.

IV. REEXAMINATION COINCIDENT WITH PATENT LITIGATION

A. REEXAMINATION CAN STAY LITIGATION

Courts have discretion to stay litigation pending reexamination.⁷⁹ In deciding whether to grant a stay pending reexamination, courts typically consider:

- (1) whether a stay will unduly prejudice or present a clear tactical disadvantage to the non-moving party,
- (2) whether a stay will simplify the issues in question and trial of the case, and

⁷⁸ Of course whether or not the amended claims have the same potential for infringement as before the reexamination is determined on a case-by-case basis. However, if the claims are amended, intervening rights may be created and additional arguments of prosecution history estoppel may have been created by the amendment.

⁷⁹ "Courts have inherent power to manage their dockets and stay proceedings, including the authority to order a stay pending conclusion of a PTO reexamination." *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988). See also, 35 U.S.C. § 318 (2006); once an order for *inter partes* reexamination has been issued, "the patent owner may obtain a stay of any pending litigation which involves an issue of patentability of any claims of the patent[.]"

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(3) whether discovery is complete and whether a trial date has been set.⁸⁰

Courts weigh these factors differently and go both ways, often dictated by unique circumstances of the particular case.

Stay Not Granted

For example, recently the Eastern District of Texas Court noted that while reexamination would simplify the case if the PTO finds that all the allegedly infringing claims are cancelled, "this historically happens in only 12% of reexaminations requested by a third party. The unlikelihood of this result, which favors not staying the case, is offset by the possibility that some of the claims may change during reexamination, which favors staying the case."⁸¹ However, the Court also noted that the possibility of claims changing in reexamination should not routinely warrant a stay, and to grant a stay on this basis "would invite parties to unilaterally derail timely patent case resolution by seeking reexamination."⁸² In the given circumstances, the Court did not find the possibility of issue simplification sufficiently persuasive to weigh in favor of a stay.⁸³

Another case in the Eastern District of Texas denied a stay because, among other things, a stay pending reexamination would unduly prejudice the plaintiff. "Due to the inherent delay in reexamination proceedings, the opportunities for numerous appeals, and the apparent conflict between the parties, it appears likely that if a stay were granted, it could take more than four to five years before this case would be back before this Court."⁸⁴

Stay Granted

In a different situation, the Court granted a stay even though "cognizant that a stay may cause considerable delay in a case set for trial in 2007 and sensitive to Plaintiff's right to have its day in court."⁸⁵ An apparently important distinction for the Court was that the defendants requested an *inter partes* (versus *ex parte*) reexamination.

⁸⁰ See, e.g., *Xerox Corp. v. 3Com Corp.*, 69 F. Supp. 2d 404, 406 (W.D.N.Y. 1999); *Motson v. Franklin Covey Co.*, 2005 U.S. Dist. LEXIS 34067 (D.N.J. 2005); *Target Therapeutics, Inc. v. Scimed Life Systems, Inc.*, 1995 WL 20470 (N.D. Cal. 1995); *GPAC, Inc. v. DWW Enterprises, Inc.*, 144 F.R.D. 60, 66 (D.N.J. 1992); *United Sweetener USA, Inc. v. Nutrasweet Co.*, 766 F. Supp. 212, 217 (D.Del. 1991).

⁸¹ *Soverain Software LLC v. Amazon.com*, 356 F. Supp.2d 660, 662 (E.D. Tex. 2005).

⁸² *Id.*

⁸³ *Id.*

⁸⁴ *MicroUnity Systems Engineering, Inc. v. Dell, Inc. and Intel Corp.*, No. Civ. 2:04-CV-00120-TWJ (E.D. Tex. Aug. 15, 2005).

⁸⁵ *EchoStar Technologies Corp. v. TiVo, Inc. et al.*, No. Civ. 5:05-CV-81-DF-CMC (E.D. Tex. Jul. 14, 2006).

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"[T]his will have a dramatic effect on future litigation."⁸⁶ Furthermore, prejudice to the Plaintiff would be offset because "if, after reexamination, Plaintiff's patents are again upheld, Plaintiff's rights will only be strengthened, as the challenger's burden of proof becomes more difficult to sustain."⁸⁷ Significant weight was also placed on the "benefit of the PTO's expert analysis of the prior art that allegedly invalidates or limits the claims."⁸⁸

In connection with an *ex parte* reexamination, a unique order was recently issued by Judge Folsom in the Eastern District of Texas. There, a stay of litigation was granted in conjunction with a stipulation. To ameliorate prejudice the plaintiff, the order required the defendants to stipulate they would not challenge the validity of the patent in the litigation, so that the plaintiff would thereby be "afforded both the advantage of an *ex parte* reexamination proceeding and an estoppel effect."⁸⁹

Other cases granting a stay pending reexamination are numerous, and involve a variety of fact scenarios.⁹⁰ In some cases, the stay is requested by joint stipulation. In other cases, the courts fashion parameters on the stay that, for example, require periodic status reports to be filed with the court; or that invite either party to move to re-open for good cause.

Below, an informal sampling is provided of recent success rates for motions to stay pending reexamination for the Northern and Central Districts of California, and the Eastern District of Texas, as example jurisdictions.⁹¹

⁸⁶ *Id.*

⁸⁷ *Id.*, citing *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 961 (Fed. Cir. 1986).

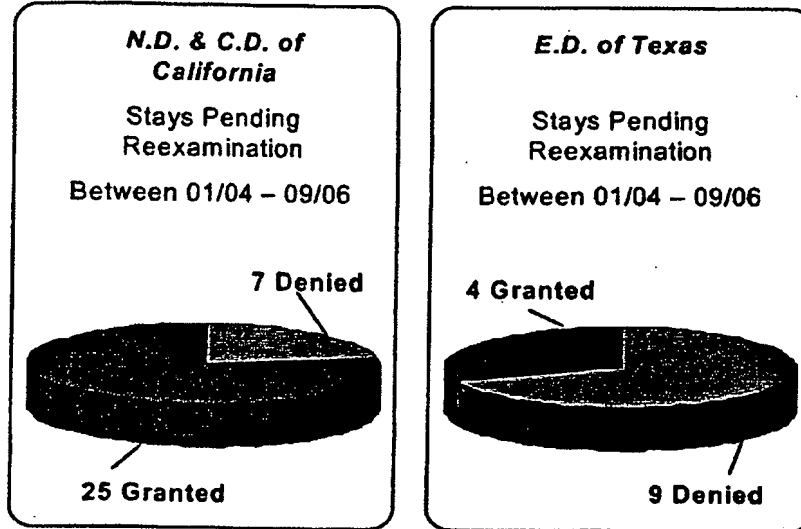
⁸⁸ *Id.*

⁸⁹ *Antor Media Corp. v. Nokia, Inc. et al.*, No. Civ. 2:05-CV-186-DF-CMC (E.D. Tex. Sep. 27 2006).

⁹⁰ See, e.g., *Motson v. Franklin Covey Co.*, No. Civ. 03-1067 (RBK), 2005 WL 3465664, at *2 (D. N.J. Dec. 16, 2005) (slip. Op. (granting stay "where discovery is complete and summary judgment has been decided"); *3M Innovative Props. Co. v. DuPont Dow Elastomers LLC*, No. 03-3364-MJD/AJB, 2005 WL 2216317, at *3 (D. Minn. Sept. 8, 2005) (slip. Op.) (granting stay where "case is trial ready"); *United Sweetener USA, Inc. v. Nutrasweet Co.*, 766 F.Supp. 212, 217 (D.Del. 1991) ("waiting for the outcome of the PTO reexamination would be the most useful option in that it would simplify the issues and aid in preparation for trial."); *Middleton, Inc. v. 3M*, 2004 WL 1968669 (S.D. Iowa 2004) (stay granted "after eight years of litigation and with just over two months remaining before trial.").

⁹¹ The data is for stays pending reexamination requested from January 2004 through September 2006. It excludes cases for which no order is available, and duplicative rulings in cases brought by a plaintiff against multiple defendants.

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B. REASONS TO REQUEST REEXAMINATION

There are many reasons why it may be advantageous to file an *ex parte* or *inter partes* request for reexamination by an accused infringer (either in a patent litigation, or as an alternative to a declaratory judgment action). Some of these reasons are discussed below.

To invalidate one or more claims of the patent. Reexamination provides the opportunity to invalidate the claims of a patent through a proceeding in which invalidity need only be established by a preponderance of the evidence, and applying the broadest reasonable interpretation of the claims. Successful reexamination may cause complete cancellation of the patent in view of the prior art or result in the claims being amended in such a way that they can no longer be infringed.⁹²

Some view reexamination as placing the patent owner at a procedural disadvantage, thereby increasing the likelihood of claims being cancelled. Reexamination is conducted pursuant to a compact prosecution model, a sort of “sudden death overtime” proceeding in which “the patent owner has very limited time to prepare responses to any rejections, and normally cannot introduce any new supporting evidence after the 2d Office action.”⁹³

⁹² Broadly sweeping infringement contentions are often filed in litigation by the patentee, which can be used as admissions in reexamination to establish invalidity of the claims.

⁹³ *Reexamination vs. Litigation—Making Intelligent Decisions in Challenging Patent Validity*, Paul Morgan and Bruce Stoner, 86 J. Pat. & Trademark Off. Soc’y 441 (2004).

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To obtain additional prosecution history estoppel. Remarks by the patentee during reexamination may provide valuable prosecution history estoppels that significantly narrow the claim scope assertable under the doctrine of equivalence.

To obtain additional evidence for use during claim construction. Remarks constituting prosecution history estoppel during reexamination, as well as statements made by the examiner during reexamination, may be submitted as evidence for consideration by the judge in a *Markman* proceeding.⁹⁴

To obtain intervening rights. Intervening rights occur when claims have been amended during reissue or reexamination. In summary, intervening rights permit a certain level of infringement to occur without the liability of damages.⁹⁵ Intervening rights allow a party who, prior to the grant of the reexamination, made or sold anything covered by the patent claims to continue the use or sale unless doing so infringes a valid claim of the reexamined patent that was also in the original patent.⁹⁶ Also, equitable intervening rights may exist that could allow a party who, prior to the reexamination, made substantial preparations for manufacture, use, or sale of a thing covered by the patent to continue to do so, as long as it does not infringe a valid claim of the reexamined patent which was in the original patent.

Statistics compiled last year estimate that in *inter partes* reexamination, all requested claims are rejected in 74% of the cases.⁹⁷ To the extent these rejections stand and result in claim amendments or cancellations, requesters are likely to have gained intervening rights at least 74% of the time.⁹⁸

To put a "cloud" on the validity of a patent. In litigation, a patent has the presumption of validity.⁹⁹ While a pending reexamination does not remove the presumption of validity, it may be influential on the trier of fact to know that the Patent Office considers that a "substantial new question of patentability" indeed exists. The patent owner may ultimately seek to keep this fact from a jury by a motion in limine.

⁹⁴ But see, *Arlington Indus., Inc. v. Bridgeport Fittings, Inc.*, 345 F.3d 1318 (Fed. Cir. 2003) in which comments made during deposition and reexamination were not influential on the *Markman* ruling.

⁹⁵ 35 U.S.C. §§ 307(b), 316(b) (2006). See also, MPEP §§ 2293, 2693.

⁹⁶ *Id.*

⁹⁷ *What's Really Happening in Inter Partes Reexamination*, Joseph D. Cohen, 87 J. Pat. & Trademark Off. Soc'y 207 (2005).

⁹⁸ *Id.*

⁹⁹ 35 U.S.C. § 282 (2006).

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To stay the litigation. As discussed above, reexamination can stay litigation. For an accused infringer, it may be advantageous to stay the litigation for various reasons, including promoting settlement or providing time to implement design alternatives.

The patent examiner may better appreciate the prior art. For some patents, the technology involved may be difficult to understand by a judge and jury. If an invalidity argument is strong, but the technology is relatively difficult to understand or appreciate, it may be more desirable to have the validity issues resolved by an examiner who is already considered to be technically competent.¹⁰⁰

To overturn litigation results. Reexamination, in effect, provides the defendant requester two chances to invalidate a patent (not including appeals).¹⁰¹ If a court sustains the validity of a patent over the prior art, it is still possible that in reexamination the PTO may find the patent invalid over the same or different art.¹⁰² Note, however, as discussed above, section 317(b) states that if a final decision is entered in litigation that the party did not sustain its burden of proving invalidity, an *inter partes* reexamination may not thereafter be brought by *that same party*. If the *inter partes* reexamination is already in process, it may not thereafter be maintained by the Office.

Of course, the PTO cannot change a final court determination of invalidity. A final court holding of invalidity (after all appeals) is controlling on the Office.¹⁰³

C. REASONS NOT TO REQUEST REEXAMINATION

There are many reasons militating against the filing of an *ex parte* or *inter partes* request for reexamination by an accused infringer (either in a patent litigation, or as an alternative to a declaratory action). Some of these reasons are discussed below.

Enhanced presumption of validity. Patents are presumed valid, but a strong hypothetical argument can often be made that, had the examiner seen this “new” prior art reference, the patent would not have been allowed. Reexamination effectively removes this hypothetical argument, if the reexamination examiner still allows the claims over the

¹⁰⁰ See, <http://www.uspto.gov/web/offices/ac/ahrpa/ohr/jobs/qualifications.htm>. Examiners are required to have either a technical degree or a combination of technical education and work experience in the art.

¹⁰¹ See, *Grayzel v. St. Jude Med., Inc.*, 2005 U.S. App. LEXIS 28690 (Fed Cir. Dec. 23, 2005).

¹⁰² “[T]he existence of a final court decision of claim validity in view of the same or different prior art does not necessarily mean that no new question [of patentability] is present. This is true because of the different standards of proof and claim interpretation employed by the District Courts and the Office.” MPEP § 2286 (II) (citing *In re Zletz*, 893 F.2d 319, 322 (Fed. Cir. 1989)).

¹⁰³ “A final holding of claim invalidity or unenforceability (after all appeals), however, is controlling on the Office.” MPEP § 2286(II) (citing *Ethicon v. Quigg*, 849 F.2d 1422 (Fed Cir. 1988)).

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prior art. In this case the imprimatur of the Patent Office will be extremely difficult to overcome.¹⁰⁴

A way to counter this potential result is with a multi-pronged approach in which certain references are asserted in reexamination and others are reserved for the litigation. If only *ex parte* reexaminations are being requested, then it may be desirable to limit the requests for reexamination to specific pieces of prior art, and hold other prior art for trial. This approach is not permissible where *inter partes* reexamination is involved.¹⁰⁵

Estoppel. For *inter partes* reexamination, as discussed above, the requester is “estopped from asserting at a later time, in any civil action . . . the invalidity of any claim finally determined to be valid and patentable on any ground which the third party requester raised or could have raised during the *inter partes* reexamination proceedings.”¹⁰⁶

Invalidity defenses asserted in litigation *before a final determination* of validity in reexamination should not be estopped and are maintained concurrently with, and prior to, the final closure of the *inter partes* reexamination process.¹⁰⁷

It should also be apparent that printed publications asserted in the reexamination do not estop reliance on public knowledge, public use, or on-sale bar evidence concerning the same technology in litigation. This type of evidence to support an allegation of invalidity is still available in a later-filed civil action.

One *inter partes* request only. The requester can only file one request for *inter partes* reexamination. Unless the requester can show that a prior art reference was unavailable prior to the filing of the prior request, a third party requester can only file one request for *inter partes* reexamination.¹⁰⁸ This may mean that all prior art searching and analysis must be completed before filing the request. Also, although a later filed reexamination (either *inter partes* or *ex parte*) can be combined with an earlier filed request for *ex parte* reexamination, the same is not true for an earlier filed request for *inter partes* reexamination by the same third party requester.¹⁰⁹

¹⁰⁴ See, *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.* 807 F.2d 955, 961 (Fed. Cir. 1986) (holding that upon reissue, the burden of proving invalidity “is made heavier.”)

¹⁰⁵ 37 C.F.R. § 1.907 (2004).

¹⁰⁶ 35 U.S.C. § 315 (2006).

¹⁰⁷ Caution is warranted in that a final determination of the reexamination process can sometimes occur relatively quickly. For example, the decision to deny a request for reexamination is “final” (subject, of course, to petition). See MPEP § 2640.

¹⁰⁸ 37 C.F.R. § 1.907 (2004).

¹⁰⁹ *Id.* Note that unlike an *ex parte* reexamination, in an *inter partes* reexamination the requester must identify the real party in interest. 35 U.S.C. § 311(b)(1) (2006).

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One way to counter this result is to diligently perform searches and analysis before the filing of the request. Since multiple *ex parte* reexaminations can be filed by the same third party, it may be desirable to request an *ex parte* reexamination at first, and when the searching and analysis are completed, to then file an *inter partes* reexamination presenting different arguments. The initially filed *ex parte* reexamination(s) can be used to support various trial aspects, such as a motion to stay the litigation. The later-filed *inter partes* reexamination can then be used to allow the requester to become more involved in the reexamination process.¹¹⁰

Claim amendments. The patent owner may potentially add limitations to the claims by amendment that enhance the claim validity yet still read on the accused infringer. In reexamination, the patent owner can amend the claims to make them more narrow, thereby potentially making the claims patentable over the prior art.¹¹¹ In this case it may be possible for the patent owner to add limitations that still result in the claims covering the accused device. This provides an opportunity for the patent owner that it would not normally have in litigation.¹¹²

It is a general rule that by narrowing its scope by amendment, a claim cannot be interpreted to cover something that it did not previously cover.¹¹³ In other words, if a party did not infringe before the amendment, it will not infringe after the amendment. Therefore the requester's arguments for noninfringement in the litigation cannot get worse, but they may improve.

If the amended claims are later found to be valid and infringed, the accused infringer may have intervening rights to use existing products without payment of any type of monetary damage.¹¹⁴

Perception that examiners are inclined to allow claims. Although this perception cannot be quantified, it is prevalent and therefore should be addressed. The statistics provided above show that while it is rare that reexamination results in full cancellation of all claims, in the majority of cases the claims are initially rejected and then amended. (64% of *ex parte* reexaminations result in claim amendments; 10% result

¹¹⁰ MPEP § 2686.01. Note that when multiple reexaminations are merged by the Patent Office, the examiner can combine the separately submitted references for a single rejection. See, *In re Bass*, 314 F.3d 575 (Fed. Cir. 2002).

¹¹¹ “[T]he patent owner shall be permitted to propose any amendment to the patent and a new claim or claims, except that no proposed amended or new claim enlarging the scope of the claims of the patent shall be permitted.” 35 U.S.C. §§ 305, 314(a) (2006).

¹¹² Although the patent owner can request reissue or reexamination of their own patent, it is likely that any litigation will be stayed or dismissed in response to such an action. That may not be the case if the third party is the one to request reexamination.

¹¹³ 35 U.S.C. §§ 305, 314(a) (2006).

¹¹⁴ See, *Honeywell Int'l v. Hamilton Sundstrand Corp.*, 370 F.3d 1131, 1140 (Fed. Cir. 2004).

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in all claims being canceled. See Appendix A.) It is noted that the increased involvement of the third party requester in *inter partes* reexamination is likely to improve these statistics once meaningful data for *inter partes* reexaminations becomes available.

No time constraints on actions after order for *inter partes* reexamination. *Inter partes* reexamination moves quickly at first. A decision on the reexamination order and a first Office action usually occur within three months. Thereafter, there are no time constraints on the examiner. As of June 30, 2006, a total of 152 *inter partes* reexaminations had been filed with just 3 having proceeded to certification. A goal of the Central Reexamination Unit is to handle the backlog and ensure timely management of proceedings in the future.

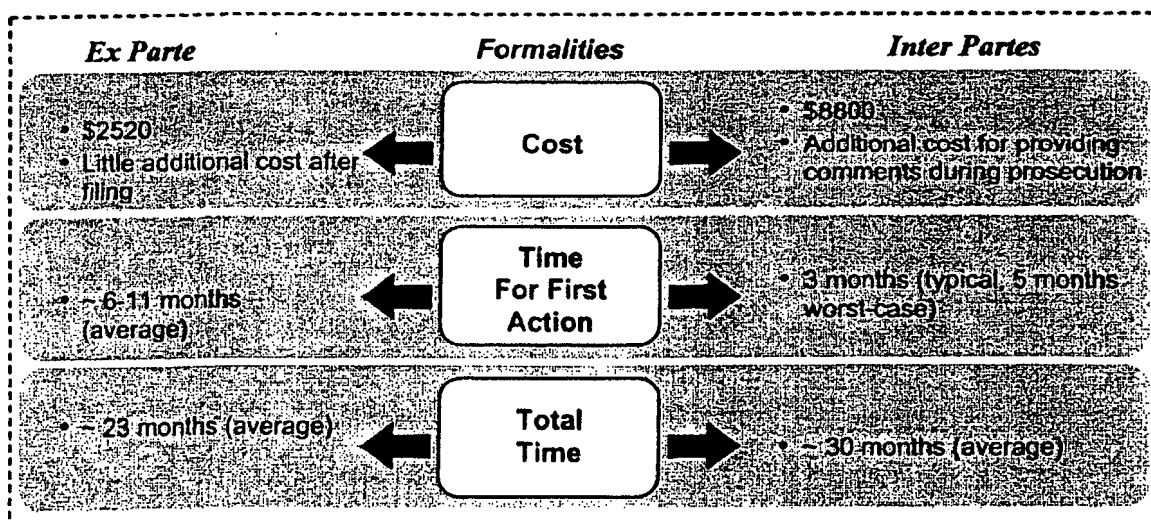
V. REEXAMINATION STRATEGIES

Reexamination in the context of patent litigation involves several key, primary considerations. First of all, a choice must be made between *ex parte* and *inter partes* reexamination. Next, a decision must be made as to when to file the request(s). Also, the request must be properly written to achieve the maximum probability of obtaining the desired results.

A. CHOOSING BETWEEN *EX PARTE* AND *INTER PARTES* REEXAMINATION

As discussed above, there are many procedural differences between *ex parte* and *inter partes* reexamination that may effectively dictate which type of reexamination should or must be used. If the patent at issue was filed after November 29, 1999, *inter partes* reexamination is an available choice. The chart below provides a summary of some of the major differences between the formalities of *ex parte* and *inter partes* reexamination, with further discussion below.

Comparison of Reexamination Procedures

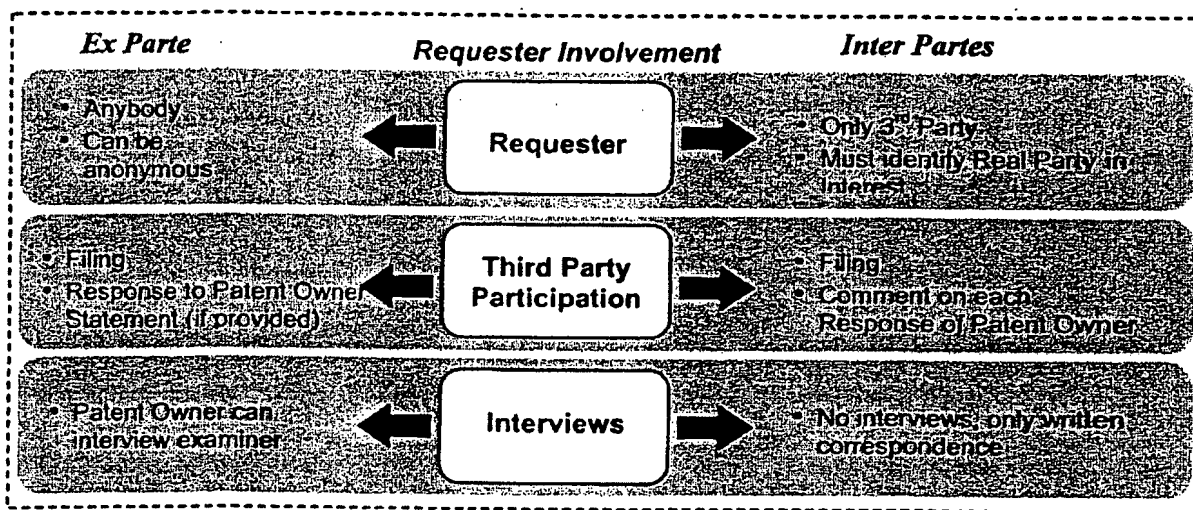


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Ex parte reexamination is often a preferred mechanism due to the price. The filing fee for *inter partes* reexamination is \$8800, as compared \$2520 for *ex parte* reexamination.¹¹⁵ Furthermore, *inter partes* reexamination requires continued involvement, which further increases the overall cost.

Filing an *inter partes* reexamination request is often desirable because the Office action is produced at the 90 day mark—the same time period when the grant or denial is due. In *ex parte* reexamination, the grant or denial is typically a 1-3 page document that states whether a substantially new question of patentability exists, but it does not go into a detailed examination of each and every claim. To the contrary, if the *inter partes* reexamination Office action results in one or more claims being allowed, the patent owner may decide to drop claims in the lawsuit, but for those allowed claims. Of course the requester has the opportunity to provide further remarks (but not additional prior art) to rebut the allowance of the claims, but the damage may already be done.

In addition to the formalities of costs and timing, there are additional reasons to choose between *ex parte* and *inter partes* reexamination. The chart below provides a summary of some of the major differences between the requester involvement during *ex parte* and *inter partes* reexamination, with further discussion below.



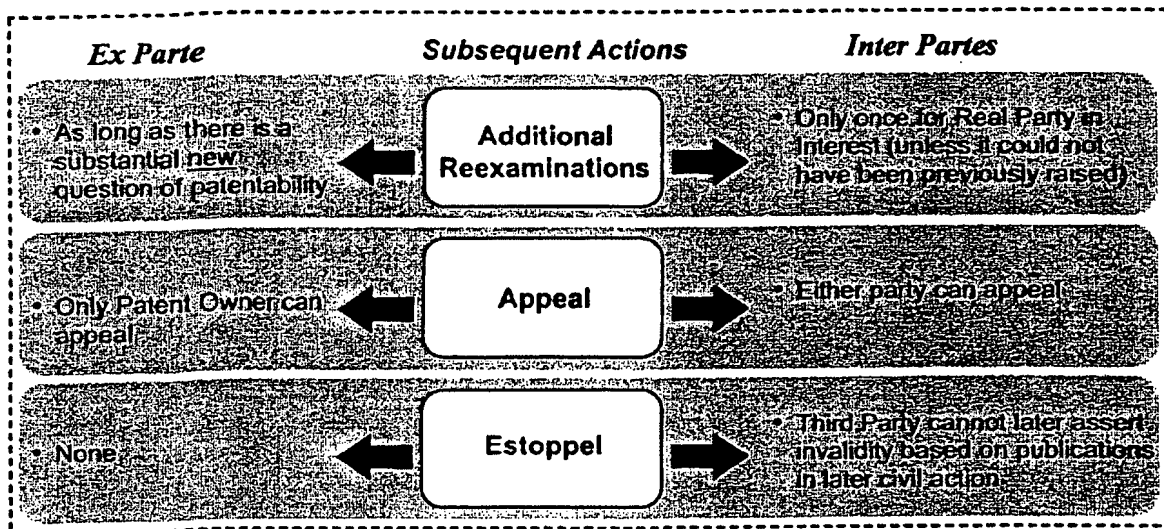
Inter partes reexamination is often a preferred mechanism due to the involvement of the third party requester throughout the reexamination and throughout appeal. This comes with a price, however, with the filing fee for *inter partes* reexamination being \$8800, as compared \$2520 for *ex parte* reexamination.¹¹⁶ It should be noted that all prior art searching and analysis needs to be effectively completed at the time of filing the request. *Inter partes* reexamination is essentially a one-shot opportunity.

¹¹⁵ 37 C.F.R. §§ 1.20(c)(1)-(2) (2004).

¹¹⁶ 37 C.F.R. §§ 1.20(c)(1)-(2) (2004).

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The availability of subsequent actions, including appeals of the reexamination, is another important distinction between *ex parte* and *inter partes* reexamination. The chart below provides a summary of some of the major differences between subsequent actions available after *ex parte* and *inter partes* reexamination, with further discussion below.



If searching and/or prior art analysis has not been completed, then filing one or more requests for *ex parte* reexamination may be a good first step. An early request for reexamination may, in some instances, be sufficient to support the stay of the litigation if this is desired.

Also, the filing of an *ex parte* reexamination can be targeted to a particular issue. For example, if inequitable conduct is being asserted, filing an *ex parte* reexamination request directed to the particular prior art reference(s) that were known by the patentee, but that were not before the Patent Office, can be used to bolster the inequitable conduct allegation. Specifically, if the prior art creates a “substantially new question of patentability” such that the reexamination is granted, then it can more easily be concluded in the litigation that the prior art was indeed material.

As mentioned above, multiple *ex parte* reexaminations can be filed, with the only thing stopping the requester being that no more substantial new questions of patentability exist, or if the requester files an *inter partes* reexamination request.¹¹⁷ Therefore, it is often desirable to start filing *ex parte* reexamination requests early and often, and then finish with the filing of an *inter partes* reexamination request.

¹¹⁷ In 2004, the Patent Office put into operation a new policy whereby the same prior art may be used to start a second *ex parte* reexamination during the pendency of the first reexamination “only if the prior art cited raises a substantial new question of patentability which is different than that raised in the pending reexamination proceeding.” MPEP § 2240.

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It may also be beneficial to file an *inter partes* request for reexamination on a related but unasserted patent. Consider the situation where there are two related patents – one filed before November 29, 1999, one filed after – and only the earlier filed patent is being asserted by the patent owner. The accused infringer can only file a request for *ex parte* reexamination on the asserted patent due to its filing date.¹¹⁸ However, filing a request for *inter partes* reexamination on the latter patent as well may benefit the *ex parte* reexamination. For one, there is a strong possibility that the same examiner will reexamine both patents, so that the third party can make comments that potentially apply to both reexaminations. Even if separate examiners are being used, the third party comments may still be helpful for the examiner in the other reexaminations.¹¹⁹

B. WHEN TO FILE

In the litigation context, requests for reexamination may be filed before the filing date of the lawsuit, at the beginning of the lawsuit, near the end of the lawsuit, after the lawsuit, or at multiple, staggered times throughout the litigation.

Before the lawsuit. This choice is often not available because the accused infringer may not know litigation is imminent. If a threat of infringement is enough to create a case or controversy, the filing of a request for reexamination may be considered in conjunction with the potential filing of a declaratory judgment action. In some cases, filing the reexamination may be sufficient without initiating litigation. Also, filing the request before any litigation provides a strong argument for the court to grant a stay if litigation is subsequently filed.

At the beginning of the lawsuit. This choice is often valuable in an attempt to maximize the possibility that a court will grant a stay of litigation. Also, filing early may bring about an early resolution of the dispute, or minimize the chance of injunction. However, filing a request for reexamination early means that a first Office action, or even a final resolution of the reexamination, could occur before trial. If the patent owner obtains a reexamination certificate (with claims in either original or amended form), the requester's arguments for invalidity at trial may be substantially weakened or unavailable.

Near the end of the lawsuit. Filing a request for reexamination near the end of litigation has certain advantages. For example, the request(s) can be supported by admissions of the patent owner developed during the litigation, such as may be contained in infringement contentions, proposed claim constructions, and so forth. Patent owner admissions can, by themselves, create a substantial new question of patentability.¹²⁰

¹¹⁸ 37 C.F.R. § 1.913 (2004).

¹¹⁹ The Central Reexamination Unit should facilitate communications between examiners, especially those examining related patents.

¹²⁰ 37 C.F.R. § 1.104(c)(3) (2004).

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Also, the mere grant of a reexamination may be influential to the trier of fact. Furthermore, a pending reexamination may be influential in any post-trial actions, including arguing against a potential injunction. Finally, all prior art searching and analysis has probably been completed, so that an *inter partes* reexamination (if permitted) can be relatively straightforward to prepare.

After the lawsuit. Although this may not be a common time frame to file a request for reexamination, it may be beneficial depending on the prior art identified and any agreements resulting from trial. If an ongoing royalty payment is required for as long as the patent is active, a reexamination may serve to reduce these payments.

Multiple, staggered ex parte reexaminations. If time permits, it may be beneficial to file multiple reexamination requests over an extended period of time, provided such is not found to be harassment of the patent owner. In this way, each new reexamination request can address shortcomings or inadequacies that the Patent Office has ruled upon in a prior request. This allows the requester to be more involved in the entire reexamination process, because each newly filed reexamination serves as a vehicle by which the requester can attempt to address problems in a prior reexamination. Multiple reexaminations on the same patent are often merged at the discretion of the Office.¹²¹

C. HOW TO MAKE REEXAMINATION FILINGS EXAMINER-FRIENDLY

A variety of ways are suggested below to facilitate a smooth procession of the request through the various stages of examination. The request should be designed to require minimal effort on behalf of the Patent Office to verify that the request is sufficient and to grasp all of the arguments being made. The presentation should enable the examiner to readily adopt the points being advanced in the request, which also should reduce the risk of the examiner misinterpreting statements and creating a record potentially detrimental to any on-going litigation. In sum, the following drafting points seek to make the reexamination request more examiner-friendly.

Explicitly step through each statutory and rule requirement at the beginning of the request. 37 C.F.R. § 1.915 lists all of the content requirements needed for an *inter partes* reexamination request. Similarly, 37 C.F.R. § 1.510 lists all of the content requirements needed for an *ex parte* reexamination request. When a request is filed, the PTO checks the request against the appropriate rule to verify that the content requirements have been met. If so, the request will be given a filing date and provided to the appropriate examiner to determine if the request should be granted. If the content requirements are not met, a NOTICE OF FAILURE TO COMPLY WITH [EX PARTE / INTER PARTES] REEXAMINATION REQUEST FILING REQUIREMENTS will be sent, stating that the filing date has not been granted and that replacement documents or statements are required.

¹²¹ See, MPEP § 2686.01.

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A recommendation for making a more examiner-friendly request is to clearly label all the sections of the appropriate CFR rule and state how the request satisfies the content requirements listed in the section. All of this should be done near the beginning of the request. The request can further state that a more detailed analysis of certain items is provided later in the request. By listing all of the content requirements clearly and at the beginning of the request, the request is more likely to obtain a filing date and more likely to proceed quickly towards examination.

Reduce the number of references to a reasonable number. For *ex parte* reexamination requests, one strategy is to provide multiple requests with a focused group of related references. For example, the references can be related to a common claim interpretation or embodiment from the patent being reexamined. The focused group of related references can make the request easier for the examiner to read and understand. Also, by having multiple requests, the examiner(s) can apply more time resources for examining the same patent (at the cost of multiple filing fees by the requester, however). There is, however, a strong likelihood that the reexaminations will be merged. Note that a requester cannot file multiple *inter partes* reexaminations, as discussed above. However, reducing and/or consolidating references are still recommended to make the request less confusing and easier to fully comprehend.

Identify pending applications and reexaminations for related patents. 37 C.F.R. § 1.565 instructs the Patent Office to merge co-pending proceedings for the *same patent* if certain time requirements are met. However, there are often instances when co-pending reexamination proceedings for *related patents* exist. In these situations, it is desirable to inform the examiner of the related reexamination so that consistent rulings can be obtained. Also, under the coordination of the Central Reexamination Unit, a supervisor at the Patent Office will distribute the reexamination requests to the appropriate examiner in an art unit, and the supervisor can consider who is working on any related examinations when distributing the request. This can result in more consistent as well as more quickly issued actions from the Office.

Identify Court filings and rulings that the examiner can consider. The Patent Office does a litigation search upon receipt of a reexamination request. However, a litigation search may not provide the exact information (or may provide too much information) for the examiner to effectively consider during the reexamination. By identifying and referencing specific filings and rulings, you increase the chance that the examiner will review and consider these items. Often, filings by the patent owner can be used by the third party requester (as admissions) to bolster a broad claim construction and increase the likelihood of a finding of invalidity.

Provide a technology summary. In hyper-technical cases a technology summary or overview may be helpful to the examiner in understanding the patent under reexamination. It is often helpful to provide annotated figures from various references, and descriptions of the state of the art around the filing date of the patent to be reexamined. Furthermore, a technology summary can be persuasively written to focus the examiner's attention on an alleged point of novelty, and then show how the prior art does indeed anticipate and/or make obvious this point of novelty.

THE NEW ROLE OF REEXAMINATION IN PATENT LITIGATION

Make the request in the form of an Office action. 37 C.F.R. § 1.510 and 1.915 require a “statement pointing out each substantial new question of patentability based on the cited patents & printed publications, and a detailed explanation of the pertinency and manner of applying the patent & printed publications to every claim for which reexamination is requested.” This requirement can be met by providing arguments in the form of an Office action. For example, the request can argue:

Claims 1-3 are obvious over reference A in view of reference B. Reference A teaches x, y, and z, as shown at pg. 12. Reference B further shows w at pg. 2. Motivation to combine references A and B exist because ...

Furthermore, by having the request in the form of an Office action, you are assisting the examiner, if he or she so chooses, to adopt your arguments as closely as possible. This can be beneficial in reducing the possibility of statements misinterpreting your positions.

Copy and annotate figures from the prior art publication into the request. Rely on quotations from the prior art reference as much as possible. As much as possible, the requester should utilize pictures and quotations from the prior art publication(s) so that there will be no question as to any potential misinterpretation or mischaracterization of terms. This can be important if the patent is in litigation, because the patent owner may try to use the requester’s comparisons with the claim language against the requester. Often complex pictures, such as circuit diagrams, can benefit from annotations such as arrows and added text. The requester should be clear as to when and how annotations are being provided.

Provide detailed claim charts for each reference. 35 U.S.C. § 301 requires that the requester explain “the pertinency and manner of applying such prior art to at least one claim of the patent[.]” The requester should not assume that only a limited analysis needs to be furnished to the examiner for appreciation of the pertinency of the reference(s). The claim charts should be provided in addition to the “statement point out each substantial new question of patentability based on prior patents and printed publications.” 37 C.F.R. § 1.510(b)(1) and § 1.915(d). Although the examiner may ultimately furnish significant independent analysis, which may include applying the reference(s) to additional claims or limitations, or crafting un-initiated rejections, the requester should not rely on such action by the examiner.

Provide alternative arguments. It is not unusual to provide alternative arguments of invalidity. For example, a requester can assert that a prior art reference meets all of the claim limitations under 35 U.S.C. § 102, and in the alternative, meets all of the claim limitations under 35 U.S.C. § 103 when combined with a second prior art reference. This is especially important when relying on inherency to satisfy a § 102 rejection. While it can be proper to provide multiple references in an anticipation argument (see MPEP 2131.01), it is advisable to provide an alternative argument that the multiple references render the claim obvious.

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Provide strong motivations to combine. It is not unusual for an examiner, upon reading an argument of obviousness under 35 U.S.C. § 103, to reply that the requester has not provided a sufficient motivation to combine or modify the references being asserted. The requester should be attuned to the impropriety of hindsight in the combination of references and the importance of establishing a clear record as to the basis for a motivation to combine references, to aid the examiner. The following well-known four factual inquiries should be addressed in a determination of obviousness:

- the scope and contents of the prior art;
- the differences between the prior art and the claims in issue;
- the level of ordinary skill in the art; and
- evidence of secondary considerations.¹²²

Some of these elements may not yet be factually developed at the time of the request. For example, the requester may not have knowledge of any secondary considerations. For *inter partes* reexamination, the requester can rely on his ability to comment in response to any of the patent owner's remarks or evidence. However, in *ex parte* reexamination, the requester should consider what evidence the patent owner may introduce, and attempt to diffuse the evidence in the request. For example, the requester can point to facts showing that any evidence of commercial success of a product that implements the alleged invention is attributable to some other factors.

Consider including expert declarations. Expert declarations can provide helpful support for many issues arising in reexamination. Common uses include explaining the contents of the prior art, addressing inherency; supporting a publication date of a reference; addressing motivation(s) to combine reference; addressing adequacy of a patent disclosure when breaking the chain of priority based on 35 U.S.C. § 112; and countering any potential assertions of secondary considerations, such as commercial success. See, e.g., MPEP §§ 2205, 2258, 2616, 2617, 2660.

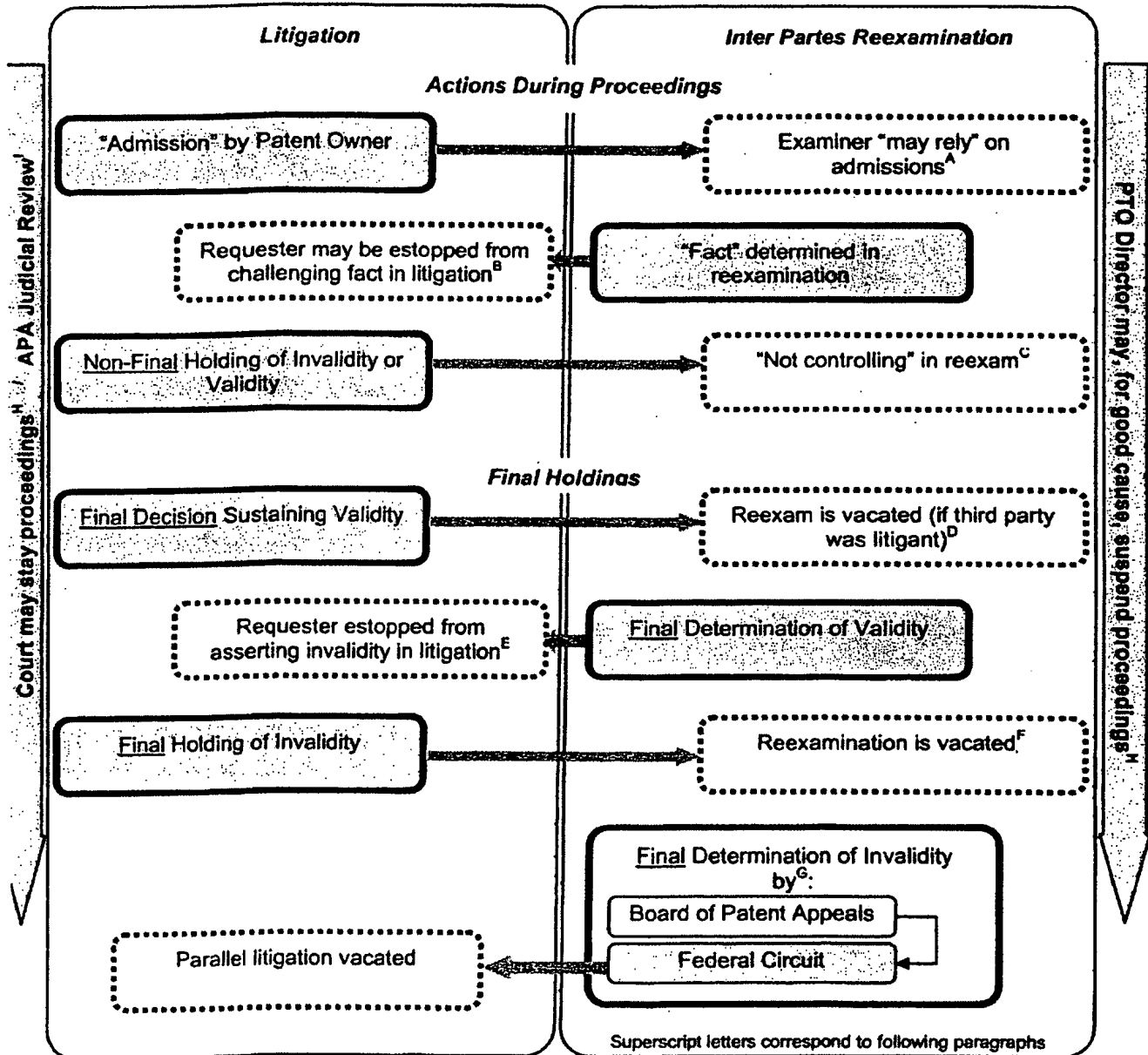
¹²² MPEP § 2141, citing *Graham v. John Deere*, 383 U.S. 1 (1966).

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VI. INTERPLAY WITH LITIGATION

The interplay of reexamination with litigation leads to many scenarios in which events in one venue influence the other. As the chart on the below illustrates, findings in one proceeding in some circumstances produce mandatory estoppels in, or a conclusion of, the other proceeding.

CO-PENDING LITIGATION AND *INTER PARTES* REEXAMINATION



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Actions During Proceedings

A. Admissions. The examiner may rely on admissions of the patent owner that are part of the court record. "In rejecting claims the examiner may rely upon admissions by the applicant, or the patent owner in a reexamination proceeding, as to any matter affecting patentability[.]"¹²³

B. Fact Estoppel. The Intellectual Property and Communications Omnibus Reform Act of 1999 suggests the possibility of fact estoppel arising in *inter partes* reexamination. "Section 4607 estops any party who requests inter partes reexamination from challenging at a later time, in any civil action, any fact determined during the process of the inter partes reexamination[.]"¹²⁴ Because this is not codified, it may not have any effect.

C. Non-Final Court Holdings. A court's non-final holding sustaining validity or a non-final holding of invalidity or unenforceability is not binding on the Office. "A non-final holding of claim invalidity ... will not be controlling on the question of whether a substantial new question of patentability is present."¹²⁵

Final Holdings

D. Final Decision Sustaining Validity. Under 37 CFR § 1.907(b), an *inter partes* reexamination will not be thereafter maintained upon a "final decision" of a federal court that the party did not sustain its burden of proving invalidity.¹²⁶ However, where the person who filed the request is *not a party* to the litigation, the court decision upholding validity will have no estoppel effect on the requester in reexamination.¹²⁷

¹²³ See, 37 CFR § 1.104 (2004); MPEP § 2258(I)(F).

¹²⁴ See, House Report 106-464, § 4607 (uncodified).

¹²⁵ See, MPEP § 2686.04(II).

¹²⁶ See, *Decision Vacating Reexamination, In Re Deutsch*, Control Number 95/000,019 (Aug. 20, 2003) ("Pursuant to the final order of the U.S. District Court for the Southern District of Florida holding that the requester (defendant) has not sustained its burden of proving the invalidity of any patent claim in the '939 patent, the '019 inter partes reexamination is vacated under the provisions of 35 U.S.C. 317(b)."). See also, *In Re Mark R. Tremblay et al.*, Control Numbers 95/000,093 and 95/000,094 (November 17, 2005) denying the patent owner's request for dismissal following final judgment upholding validity but prior to exhaustion of Federal Circuit appeal; and the corresponding opinion in *Sony Computer Entertainment America, Inc. v. Jon W. Dudas*, 2006 WL 1472462 (E.D.Va. 2006) (Statutory estoppel provisions of 35 U.S.C. § 317(b) that require dismissal of reexamination would operate after completion of the Federal Circuit appeal).

¹²⁷ See, 35 U.S.C. § 317(b) (2006); 37 CFR § 1.907(b) (2004); MPEP § 2686.04.

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E. Estoppel From Asserting Invalidity. The requester may not assert at a later time in litigation the invalidity of any claim finally determined to be patentable on any ground the third party requester raised or could have raised in inter partes reexamination. Invalidity may be asserted only based upon newly discovered prior art unavailable to the requester and the Office at the time of the reexamination.¹²⁸

F. Final Court Holding of Invalidity. A final court holding of claim invalidity (after all appeals) is controlling on the Office. Where all claims are affected, the reexamination will be vacated.¹²⁹

G. Final Reexamination Determination of Invalidity. A determination in reexamination that any claim is invalid will not be controlling in a pending civil court action until all appeals to the Board of Patent Appeals and Interferences and to the Court of Appeals for the Federal Circuit are exhausted.¹³⁰ Once the time for appeal has expired or any appeal proceeding has terminated, the Director will issue an *Inter Partes* Reexamination Certificate cancelling any claim finally determined to be unpatentable, confirming any claim determined to be patentable, and incorporating any new claim determined to be patentable.¹³¹

Stay or Suspension or Judicial Review

H. Stay or Suspension. As the proceedings unfold, two general principles also apply. First, the district court has the inherent power to control its own docket, including the power to stay proceedings.¹³² Second, the PTO Director may at any time suspend an *inter partes* reexamination proceeding “for good cause.”¹³³ Accordingly, discretion exists in both venues to curtail duplicative efforts through suspension or stay of activities, to await an outcome in the other proceeding.

¹²⁸ See, 35 U.S.C. § 315(c) (2006). See also, discussion at II.B., “Res Judicata Effect of Reexamination,” *supra*.

¹²⁹ See, MPEP § 2684.04(II), citing *Ethicon v. Quigg*, 849 F.2d 1422 (Fed. Cir. 1988).

¹³⁰ 35 U.S.C. §§ 134, 141. Exhaustion of appeals to the Federal Circuit ensures that the patentee had a “full and fair chance” to litigate the validity of the patent and thereafter the patentee would be collaterally estopped from relitigating the validity of the patent. *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*, 402 U.S. 313, 333, 91 S.Ct. 1434, 1445 (1971)

¹³¹ 35 U.S.C. § 316.

¹³² *Soverain Software LLC v. Amazon.com*, 356 F.Supp.2d 660, 662 (E.D. Tex. 2005); *Landis v. North American Co.*, 299 U.S. 248, 254 (1936).

¹³³ 35 U.S.C. § 314(c) (2006).

THE NEW ROLE OF REEXAMINATION IN PATENT LITIGATION

I. Judicial Review. Additionally, a party may seek judicial review by suing the Office in a separate district court action pursuant to the Administrative Procedure Act (APA),¹³⁴ for an “unlawful agency decision.”

Case Study

*Immersion Corporation v. Sony Computer Entertainment, Inc.*¹³⁵ This case involves litigation and reexamination of patents owned by Immersion Corporation that relate to computer-controlled vibrating motors which Sony uses in its dual shock PlayStation and PlayStation 2 controllers. A Northern District of California jury awarded Immersion \$82 million in damages against Sony, after which Sony requested *inter partes* reexamination of the two litigated patents. The procedural history illustrates the relationship of proceedings among the California court (infringement), the Federal Circuit (appeal on issue of infringement), the PTO (reexamination), and the Virginia court (APA suit by Sony against the PTO for staying the reexaminations):

- The California district court issues judgment of infringement and permanent injunction for patent owner Immersion against defendant Sony, which is stayed pending appeal to the Federal Circuit. (March 2005).
- Sony files requests for *inter partes* reexamination of the patents. (May 2005).
- Sony appeals the California district court decision to the Federal Circuit. (June 2005).
- The Office issues orders granting the requests for *inter partes* reexamination. (August 2005).
- Immersion files petitions to suspend the reexamination proceedings, pending the outcome of the Federal Circuit appeal. (September 2005).
- The Director of the Office issues a decision granting Immersion’s petitions, finding “good cause” to suspend the reexaminations until the Federal Circuit reaches a decision on appeal.
- Sony brings an action in the District Court for the Eastern District of Virginia, pursuant to the Administrative Procedure Act, to obtain judicial review of the Office’s decision suspending the reexaminations. Sony argues the Office abused its discretion in suspending the proceedings, contending the Office has a legal obligation to reexamine the patents. (December 2005).

¹³⁴ 5 U.S.C. §§ 701-706.

¹³⁵ *Immersion Corporation v. Sony Computer Entertainment, Inc.*, No. C02-0710 CW, 2005 U.S. Dist. LEXIS 4781 (N.D. Cal. Mar. 24, 2005).

THE NEW ROLE OF REEXAMINATION IN PATENT LITIGATION

- The Virginia court issues a decision¹³⁶ in favor of the Office, upholding the Office's finding of "good cause" to suspend the reexaminations. (May 2006).

VII. TRIAL LAWYER'S PERSPECTIVE—A SYNOPSIS

Trial lawyers face tough calls when it comes to reexamination coincident with litigation, on both sides of the case. Key issues to consider are identified below, in summary of all of the foregoing:

1. **Reexamination: Yes or No?** Given the facts, is reexamination likely to produce a better result than seeking invalidity in the litigation?
 - Strength of prior art (old art and new art).
 - Complexity of technology.
 - Factors favoring reexamination: provides a basis for stay of litigation; may create additional prosecution history estoppels; may create additional evidence for claim construction; may create intervening rights if claims are amended or invalidated; provides access to examiner expertise; creates an early cloud on the patent by raising a substantial new question (SNQ); provides a second bite at invalidity, if validity sustained in court (*ex parte*); third party requester participation (*inter partes*) increases fairness of the proceeding; "sudden death overtime" prosecution disadvantages the patent owner; creates a separate right of appeal to the Federal Circuit (*inter partes*). (See, IV.B., *supra*).
 - Risks weighing against reexamination: confirmed claims create an enhanced presumption of validity; may create estoppels in later litigation on facts or issues raised or that could be raised in *inter partes* reexamination; creates an opportunity for the patentee to amend claims; the potential exists for delays in the PTO; the evaluation of validity is isolated from issues of "bad" conduct. (See, IV.C., *supra*; and II.B. Third Party Estoppel, *supra*).
2. **Reexamination By Plaintiff.** As the plaintiff, consideration should be given to whether or not the defendant might initiate reexamination and whether it might be helpful to file a preemptive reexamination.
3. **Type of Reexamination to Choose.** Assuming both forms are available, the procedural differences between *ex parte* and *inter partes*

¹³⁶ *Sony Computer Entertainment America, Inc. v. Jon W. Dudas*, 2006 WL 1472462 (E.D.Va. May 22, 2006).

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reexamination impact which may be preferable to choose. For litigation involving multiple patents, often both are used.

- Comparison of *ex parte* vs. *inter partes* and which to choose focuses on the issues of formalities, requester involvement, and subsequent actions/estoppels/appeals. (*See, V.A., supra*).
 - Use of multiple, staggered *ex parte* reexaminations.
 - Petitioning to merge proceedings (including *ex parte* and *inter partes*).
4. **When to File Request(s).** Reexaminations are requested before, at all stages during, and after litigation, for a variety of reasons. The following factors are relevant to the decision of the timing of the request(s):
- The time at which the relevant prior art becomes known.
 - The time at which evidence in litigation becomes available that creates or enhances a SNQ (e.g., new prior art, admissions, claim constructions).
 - Goal of preempting litigation by filing the request beforehand.
 - Goal of cleansing the patent before bringing litigation.
 - Goal of invalidating claims after validity has been sustained at some stage in litigation.
 - Goal of establishing a basis for stay of litigation.
5. **Stay of Litigation.** Reexamination concurrent with litigation creates opportunities for either party to seek a stay of litigation, the grant of which depends primarily on the court's weighing of (i) prejudice to the non-movant, (ii) whether the stay will simplify the issues, and (iii) whether discovery is complete. (*See, IV.A., supra*). Issues to consider are:
- Whether to move for stay.
 - Is it likely to be granted?
 - Is it in the best interest of the movant (plaintiff or defendant)? Factors to be weighed include, e.g., economics; delay; impact on opposing party; and timing of development of facts in one proceeding useful for the other.
 - Whether to oppose a motion for stay.

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- Creative ways to fashion the stay order.
 - Defendant: To persuade the judge to grant it.
 - Plaintiff: To mitigate its impact when you cannot stop it.
- 6. **Coordinating Evidence and Arguments.** As both the litigation and reexamination proceedings progress, opportunities will exist to inject information arising in one proceeding into the other. For both parties, this also underscores the importance of being consistent in the way arguments and evidence in one proceeding are used in the other. And the opportunities to be seized when they are not.
 - Tactical use of reexamination events in litigation. At various stages of the litigation, parties can make beneficial use of arguments presented and findings made in the reexamination, such as:
 - The existence of a SNQ.
 - Examiner's claim rejections or failure to adopt claim rejections.
 - Examiner's determination of priority date.
 - Examiner's interpretation of claims, references, and attorney arguments.
 - Inconsistencies in arguments made compared to those made in litigation.
 - Requester's explicit or implicit adoption of broad claim constructions used to support invalidity.
 - Patent owner's explicit or implicit adoption of narrow claim constructions used to refute invalidity.
 - Tactical use of litigation events in reexamination. Similarly, in reexamination, parties can make beneficial use of arguments presented (admissions) and findings made in the litigation, such as:
 - Plaintiff's explicit or implicit adoption of broad claim constructions used to support infringement (e.g., such as contained in infringement contentions, *Markman* briefings, summary judgment briefings).
 - Defendant's explicit or implicit adoption of narrow claim interpretations made to support non-infringement arguments.
 - Inconsistencies in arguments made compared to those made in reexamination.
 - Court claim constructions or other rulings.
 - Issues of conduct that place the validity issues in full context for the examiner.

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7. **Finality, Suspension, Vacation, and Appeal.** A myriad of options exist to jockey the focus from one forum to another, in some situations most beneficial to the plaintiff and, in others, the defendant. (*See*, II.E., VI, *supra*).
- Non-final rulings in litigation, though potentially persuasive, are not binding on the Office. They may be brought to the attention of the examiner, as discussed above, or support a “good cause” petition to suspend the reexamination.
 - A final decision that the defendant-requester has not sustained the burden of proving invalidity triggers § 317(b) and will require the Office to vacate an inter partes reexamination.
 - A final decision of invalidity will require the Office to vacate a reexamination.
 - While a litigation appeal is pending, it may support a petition for a “good cause” suspension of reexamination.
 - Appeal of reexamination issues to the Federal Circuit foreclose finality of a dispute that might otherwise have exhausted litigation appeals to the Federal Circuit much sooner, especially where the litigation appeals are limited solely to issues of infringement.
 - Separate district court litigation may be brought against the Director for any “unlawful agency decision,” under the Administrative Procedure Act.

VIII. CONCLUSION

While reexamination is not appropriate in every case, under the right circumstances it provides substantial benefits in the assertion or defense of a patent lawsuit as part of the overall litigation strategy.

Attachments: Appendix A, Appendix B

R-148752_1.DOC



UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patent
United States Patent and Trademark Office
P.O. Box 14
Alexandria, VA 22313-14
www.uspto.gov

Ex Parte Reexamination Filing Data - June 30, 2006

1. Total requests filed since start of ex parte reexam on 07/01/81 8084

a. By patent owner	3313	41%
b. By other member of public	4606	57%
c. By order of Commissioner	165	2%

2. Number of filings by discipline

a. Chemical Operation	2496	31%
b. Electrical Operation	2608	32%
c. Mechanical Operation	2980	37%

3. Annual Ex Parte Reexam Filings

Fiscal Yr.	No.	Fiscal Yr.	No.	Fiscal Yr.	No.	Fiscal Yr.	No.
1981	78 (3 mos.)	1989	243	1997	376	2005	524
1982	187	1990	297	1998	350	2006	340
1983	186	1991	307	1999	385		
1984	189	1992	392	2000	318		
1985	230	1993	359	2001	296		
1986	232	1994	379	2002	272		
1987	240	1995	392	2003	392		
1988	268	1996	418	2004	441		

4. Number known to be in litigation 1895 23%

5. Determinations on requests 7852

a. No. granted 7160 91%

(1) By examiner	7054
(2) By Director (on petition)	106

b. No. denied 692 9%

(1) By examiner	657
(2) Order vacated	35

6. Total examiner denials (includes denials reversed by Director)	763			
a. Patent owner requester	430	56%		
b. Third party requester	333	44%		
7. Overall reexamination pendency (Filing date to certificate issue date)				
a. Average pendency	22.8 (mos.)			
b. Median pendency	17.6 (mos.)			
8. Reexam certificate claim analysis:				
	<u>Owner</u>	<u>3rd Party</u>	<u>Comm'r</u>	<u>Overall</u>
	<u>Requester</u>	<u>Requester</u>	<u>Initiated</u>	
a. All claims confirmed	23%	29%	13%	26%
b. All claims cancelled	7%	12%	19%	10%
c. Claims changes	70%	59%	68%	64%
9. Total ex parte reexamination certificates issued (1981 - present).....	5433			
a. Certificates with all claims confirmed	1410	26%		
b. Certificates with all claims canceled	554	10%		
c. Certificates with claims changes	3469	64%		
10. Reexam claim analysis - requester is patent owner or 3rd party; or Comm'r initiated.				
a. Certificates _ PATENT OWNER REQUESTER	2360			
(1) All claims confirmed	543	23%		
(2) All claims canceled	174	7%		
(3) Claim changes	1643	70%		
b. Certificates _ 3rd PARTY REQUESTER	2934			
(1) All claims confirmed	849	29%		
(2) All claims canceled	353	12%		
(3) Claim changes	1732	59%		
c. Certificates _ COMM'R INITIATED REEXAM	139			
(1) All claims confirmed	18	13%		
(2) All claims canceled	27	19%		
(3) Claim changes	94	68%		



UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

Inter Partes Reexamination Filing Data - June 30, 2006

1. Total requests filed since start of *inter partes* reexam on 11/29/99 152
2. Number of filings by discipline
 - a. Chemical Operation 39 26%
 - b. Electrical Operation 48 31%
 - c. Mechanical Operation 65 43%
3. Annual Reexam Filings

<u>Fiscal Yr.</u>	<u>No.</u>	<u>Fiscal Yr.</u>	<u>No.</u>	<u>Fiscal Yr.</u>	<u>No.</u>	<u>Fiscal Yr.</u>	<u>No.</u>
2000	0	2002	4	2004	27	2006	40
2001	1	2003	21	2005	59		
4. Number known to be in litigation.....40.....26%
5. Decisions on requests 145
 - a. No. granted136.....93%
 - (1) By examiner 136
 - (2) By Director (on petition) 0
 - b. No. not granted9.....7%
 - (1) By examiner 7
 - (2) Reexam vacated 2
6. Overall reexamination pendency (Filing date to certificate issue date)
 - a. Average pendency 29.5
(mos.)
 - b. Median pendency 31.2
(mos.)
7. Total *inter partes* reexamination certificates issued (1999 - present).....3
 - a. Certificates with all claims confirmed 0 0%
 - b. Certificates with all claims canceled 3 100%
 - c. Certificates with claims changes 0 0%

EXHIBIT B

PATENT
Customer No. 27683
Attorney Docket Nos. 38512.3-.5, .8

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re <i>Inter Partes</i> Reexaminations of:	§	Examiner: Charles R. Craver
	§	
United States Patent No. 6,426,916;	§	Control Number: 95/000,166
	§	
United States Patent No. 6,324,120;	§	Control Number: 95/000,178
	§	
United States Patent No. 6,182,184;	§	Control Number: 95/000,183
	§	
United States Patent No. 6,452,863	§	Control Number: 95/000,250
	§	
	§	Group Art Unit: 3992

Mail Stop *Inter-Partes* Reexam
Central Reexamination Unit
Office of Patent Legal Administration
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

**THIRD-PARTY REQUESTER'S PETITION AND OPPOSITION TO
PETITION TO VACATE THE FILING DATES AND ORDERS
GRANTING *INTER PARTES* REEXAMINATION OR,
ALTERNATIVELY, TO SUSPEND THE PROCEEDINGS**

Sir:

The present communication is responsive to the Petition To Vacate The Filing Dates And Orders Granting *Inter Partes* Reexamination Or, Alternatively, To Suspend The Proceedings ~~(hereinafter "Rambus's Petition"), filed by Rambus, Inc. (hereinafter, "Rambus") and the Notice~~ Of Time Period To Oppose Petition To Vacate Filing Date Or Alternatively, To Suspend The Proceeding (hereinafter, "Notice of Time Period"), mailed on May 31, 2007 in the above-referenced reexamination proceedings.

As specifically invited in the Notice of Time Period, third party requester, David L. McCombs on behalf of real party in interest, Samsung Electronics, Co., Ltd. (hereinafter "Samsung") hereby petitions pursuant to 37 CFR §1.183 for waiver of 37 CFR §1.939(b) and any other applicable rules which might prohibit entry of the present response. Such waiver is

necessary to afford any opportunity for the third party requester to be heard on the issues raised in Rambus's Petition. Unless entry of the present communication is granted under §1.183, the third party requester will have no opportunity to be heard.

In the event that any additional fee is due in connection with the present response, the same should be charged to Deposit Account No. 08-1394.

Rambus's Petition should be dismissed in its entirety for the reasons set forth below.

BACKGROUND

1. U.S. Patent No. 6,182,184 (hereinafter, the '184 patent) issued on January 30, 2001, including claims 1-29. U.S. Patent Number 6,324,120 (hereinafter, the '120 patent) issued on November 27, 2001, including claims 1-39. U.S. Patent Number 6,426,916 (hereinafter, the '916 patent) issued on July 30, 2002, including claims 1-41. U.S. Patent Number 6,452,863 (hereinafter, the '863 patent) issued on September 17, 2002, including claims 1-35.
2. On August 29, 2000, Rambus Inc. filed a patent infringement suit against Hynix Semiconductor, Inc. (Civil Action No. 00-20905 RMW) ("hereinafter the Hynix Litigation"), involving the '916, '120, and '863 patents.¹ On April 24, 2006, Rambus, obtained a jury verdict in the United States District Court for the Northern District of California, finding that Hynix infringed claims 9, 28, and 40 of the '916 patent. The jury also found that claims 9, 28, and 40 of the '916 patent, claim 33 of the '120 patent, and claim 16 of the '863 patent were not invalid.² The district court will not enter a final judgment until after the conclusion of a trial on Rambus's wrongful conduct which is scheduled to begin on January 22, 2008.³

¹ Joint Case Management Order at Attachment E, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal. 2000)(No. 00-20905). See Exhibit A.

² Special Verdict Form at 2, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal. 2000)(No. 00-20905). See Exhibit B.

³ Joint Case Management Order at 1, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal. 2000)(No. 00-20905). See Exhibit A.

3. *Rambus Inc. v. Samsung Electronics Ltd., et al.* (Civil Action No. 05-02298 RMW) (N.D. Cal. 2005) (hereinafter "the Samsung Litigation"), was filed on June 6, 2005, involving claim 28 of the '916 patent, claim 33 of the '120 patent, and claim 16 of the '863 patent.⁴ The consolidated portions of the patent trial are only tentatively scheduled to begin January 19, 2009, as indicated by the trial court in a case management conference hearing on May 24, 2007.⁵
4. *Rambus, Inc. v. Hynix Semiconductor Inc. et al.*, (Civil Action No. 05-00334 RMW) (N.D. Cal. 2005) (hereinafter "the Hynix/Nanya/Samsung litigation"), was filed January, 2005 (against Hynix and Nanya) and June, 2005 (against Samsung), involving claim 14 of the '184 patent.⁶
5. Samsung, as the real party in interest, filed U.S. *Inter Partes* Reexamination of the '184 patent on October 4, 2006, Control Number 95/000,183, for all original patent claims 1-29. The Order Granting Reexamination issued December 26, 2006.
6. Samsung, as the real party in interest, filed U.S. *Inter Partes* Reexamination of the '120 patent on October 6, 2006, Control Number 95/000,178, for all original patent claims 1-39. The Order Granting Reexamination issued December 26, 2006.
7. Samsung, as the real party in interest, filed U.S. *Inter Partes* Reexamination of the '916 patent on October 12, 2006, Control Number 95/000,166, for all original patent claims 1-41. The Order Granting Reexamination issued December 26, 2006.

⁴ Rambus's Disclosure of Twenty-Five Asserted Claims at 1-2, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal. 2000)(No. 00-20905). See Exhibit C.

⁵ Joint Status Conference Statement at 10, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal.) (No. 00-20905, 05-00334, 05-02298, 06-00244); Transcript of Proceedings Before the Honorable Ronald M. Whyte U.S. District Judge at 29-30, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal.) (No. 00-20905, 05-00334, 05-02298, 06-00244). See Exhibits D and E.

⁶ Rambus's Disclosure of Twenty-Five Asserted Claims at 1-2, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal. 2000)(No. 00-20905). See Exhibit C.

8. Samsung, as the real party in interest, filed U.S. *Inter Partes* Reexamination of the '863 patent on April 4, 2007, Control Number 95/000,250, for all original patent claims 1-35. A Decision for Grant of Reexamination has not yet been issued.
9. On May 15, 2007, Rambus's Petition was filed. Although a Decision for Grant has not yet been received in 95/000,250, in Rambus's Petition, Rambus "reserved" the right to seek suspension.

ANALYSIS

I. The Real Party in Interest Has Been Properly Identified in Accordance With 35 U.S.C. §311(b)(1).

In accordance with 35 U.S.C. §311(a), "[a]ny third-party requester at any time may file a request for *inter partes* reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301." 35 U.S.C. §311(b)(1) further requires, "[t]he request shall . . . include the identity of the real party in interest." In the request for *inter partes* reexamination for each of the above listed Rambus patents, Samsung was correctly listed as the only real party in interest. Rambus's Petition is based upon the complaint that Samsung has failed to identify other litigants involved in litigation with Rambus as real parties in interest. Nothing in the Statute, the Rules, or the MPEP requires or even suggests that a litigant in a suit with the same patent owner and who exercises no control and has no responsibility for the filing and subsequent participation in the *inter partes* reexamination proceedings should be deemed a real party in interest.

The requirement that the real party in interest be identified is explained in further detail in 37 CFR §1.915 (b) which states "[a] request for *inter partes* reexamination must include the following parts: . . . (8) A statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy." Thus, the real party in interest must only be sufficiently identified so that a subsequent person wishing to file an *inter partes* request will be able to determine whether that subsequent person is in privity with the real party in interest.

The MPEP at §2614 provides additional guidance for complying with the requirement that the real party in interest be identified, stating, “[t]he reexamination request must identify the real party in interest who is *responsible* for filing the reexamination request” (emphasis added). In the present *inter partes* reexamination proceedings, only Samsung, the named real party in interest, was responsible for the filing of the reexamination request.

The reason for requiring the identification of the real party in interest is explained in the MPEP at §2614, “[t]his information [about the identity of the real party in interest] will be used by future parties requesting reexamination of the same patent, in making the certifications required by 37 CFR §1.915(b)(8).” Since no certifications are required under 37 CFR §1.915(b)(8), it seems likely that the MPEP intended to refer to 37 CFR §1.915(b)(7) which requires, “[a] certification by the third party requester that the estoppel provisions of §1.907 do not prohibit the *inter partes* reexamination.”

The estoppel provisions of 37 CFR §1.907 and 35 USC §317, on which the rule is based, place limitations on the future filing of *inter partes* reexaminations by the third party requester and its privies. 37 CFR §1.907 states,

(a) Once an order to reexamine has been issued under § 1.931, *neither the third party requester, nor its privies*, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.

...
(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then *neither that party nor its privies* may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding.

(emphasis added).

Thus, the purpose of identifying the real party in interest is simply to allow a future *inter partes* requester to determine whether it is estopped from filing a request either because it was the third party requester or real party in interest in an earlier *inter partes* reexamination or because it was in privity with the third party requester or real party in interest in the earlier *inter partes* reexamination.

The term privies is not defined in either the statute or the rules, but the “question of whether a party is a privy must be decided on a case-by-case, evaluating all of the facts and circumstances of each individual situation.”⁷ Further,

... the Office generally will not have a need to resolve the factual issue of whether or not one party is a privy of another. Section 1.915(b)(7) requires a third party requester to certify that the estoppel provisions of §1.907 do not prohibit the filing of the *inter partes* reexamination request, and the Office does not intend to look beyond this required certification. It is only in the rare instance where a challenge to the accuracy of the certification is raised by the patent owner, that the question would need to be addressed.⁸

Here, Rambus has not challenged the accuracy of the certification, nor would such a challenge be warranted. Therefore, the Office has no pending need to consider issues of privity with the real party in interest. Likewise, Rambus can not argue that Samsung was a third party requester in an earlier *inter partes* reexamination on the same patent, and thus Samsung is not “that party” which is estopped under §1.907(c) from filing a *inter partes* reexamination request. In the present *inter partes* reexaminations, Samsung, the named real party in interest, has been properly identified such that any future requester would be able to determine whether that future requester was in privity.

Rambus’s assertion that litigants in other litigations with Rambus are real parties in interest in Samsung’s request for *inter partes* reexamination lacks merit. In addition to MPEP §2614 (the real party in interest is the party who is responsible for filing the request), a review of proposed 37 CFR §1.911 is also instructive in determining who may be considered a “real party in interest” or a person intended to be bound by the estoppel provisions of 37 CFR §1.907. Proposed 37 CFR §1.911(c) states,

(c) For the purposes of 1.907 and 1.909, a person who is not a party to the reexamination proceeding but who controls or substantially participates in the control of the presentation of the reexamination proceeding on behalf of a party is bound by the determination of issues decided as though he or she were a named party. To have control of the presentation requires that person to have effective choice as to the legal theories and/or grounds of rejection or defenses to be advanced on behalf of the party to the reexamination proceeding.

⁷ Response to General Comment 4, 37 CFR Part 1 Rules to Implement Optional Inter Partes Reexamination Proceedings; Final Rule, 65 FR 76759 (Dec. 7, 2000).

⁸ *Id.*

According to two respected patent law commentators, "[t]his suggests that only those who control or substantially participate in the control of the presentation of the reexamination will be deemed real parties in interest."⁹ Further, "the actual degree of cooperation which separates those who are merely 'privies' from the 'parties in interest' will need to be decided by the courts on a case-by-case basis."¹⁰

In the present *inter partes* reexamination proceedings, Samsung, the named real party in interest, is the only party that has controlled or substantially participated in the control of the presentation of the reexamination. Likewise, only Samsung, has had the effective choice as to the legal theories or grounds of rejection advanced in this *inter partes* reexamination proceeding. In accordance with MPEP §2614, only Samsung, the party *responsible* for filing the reexamination request, has been named as the real party in interest. Any question as to whether litigants in litigation with Rambus are in privity with Samsung is inconsequential or, at least, premature for purposes of the present *inter partes* reexaminations, since no other litigant has attempted to file a reexamination. For this reason and the reasons set forth above, Samsung has been properly named the sole real party in interest in the present *inter partes* reexaminations.

II. No Good Cause Exists for Suspending the '166, '178, or the '183.

Rambus has petitioned the Office to suspend the *inter partes* reexamination proceedings based upon pending litigation in various district courts and based upon charges of "delay and gaming" on the part of Samsung.

Under 35 U.S.C. §314(c) the Office is required to conduct all *inter partes* reexamination proceedings with "special dispatch," unless the Director provides "good cause" for suspension. 37 CFR §1.987 provides, "[i]f a patent in the process of *inter partes* reexamination is or becomes involved in litigation, the Director shall determine whether or not to suspend the *inter partes* reexamination proceeding." The MPEP at §2686.04 III. provides three example scenarios that might present good cause. The first example is "where there is an issue that cannot be decided in the reexamination proceeding but affects the resolution of the proceeding." Second, "where

⁹ Robert T. Pous and Charles L. Gholz, *Will Inter Partes Reexamination Be Embraced By Third Parties as an Alternative to Litigation?*, 7 Intellectual Property Today, March 2000, at 37.

¹⁰ *Id.*

there is an issue common to the litigation and the reexamination that can best be decided in court due to the availability in court of discovery and subpoena power.” Third, “where there is pending litigation having the potential to terminate a reexamination proceeding under 35 U.S.C. §317(b).” The mere fact that Samsung or other parties are pursuing invalidity arguments in concurrent litigation does not preclude Samsung’s pursuit in reexamination. Congress provided the reexamination procedure to be conducted with special dispatch under 35 U.S.C. §314(c) for the very reason that the Office, using standards different than in litigation, could reconsider potentially invalid patents, thereby serving the public interest. It is expressly contemplated that *inter partes* reexamination will be conducted concurrent with litigation until a “final decision” is reached in the civil action.¹¹

None of the scenarios for good cause are present in the current *inter partes* proceedings. First, there are no issues pending in the district court cases that affect the resolution of the *inter partes* proceedings. Rambus’s Petition refers to written description issues pending in the district courts, however to date, none of these issues has been developed sufficiently in the Samsung litigation or the Hynix/Nanya/Samsung litigation to indicate whether they will be dispositive of validity of the four claims asserted from patents pending reexamination.

Second, the court’s discovery and subpoena power are not useful in resolving any issues common to both the pending litigation and the reexamination. Rambus’s Petition makes brief reference to a possible use of the court’s subpoena powers to reach members of the Advanced DRAM Technology consortium (“ADT”). This organization, which dissolved before any *inter partes* reexaminations were filed¹², is in no way relevant to the resolution of the issues in the reexaminations.

Finally, because no final decision on validity has been issued against Samsung on claims at issue in the present *inter partes* reexamination proceedings, no pending litigation has the potential to terminate these proceedings under 35 U.S.C. §317(b). The Samsung litigation is in only the early stages, with a trial scheduled to begin no earlier than January 19, 2009. Although the ‘916, ‘120, and ‘863 patents are currently at issue in the Hynix litigation, Samsung is not a party to that litigation. A jury in the Hynix litigation returned a special verdict form indicating

¹¹ 35 U.S.C. §317(b).

¹² Memory Consortium Fades Away, CNET News.com, http://news.com.com/Memory+consortium+fades+away/2100-1001_3-985260.html

that Hynix had not proven that three of the ninety-one claims¹³ at issue in the present *inter partes* reexaminations were anticipated or obvious. Thus, the vast majority of the claims at issue in the *inter partes* reexaminations were not even considered by the jury in the Hynix litigation. Regardless, because Samsung was not a party to the Hynix litigation, MPEP §2686.04 II.(A) provides that for the *inter partes* reexaminations, “the determination of whether a substantial new question of patentability exists will be made independently of the court’s decision on *validity*, since the decision is not controlling on the Office.” (Emphasis in original).

Furthermore, no *final* judgment has been entered in the Hynix litigation. Currently that verdict is stayed pending the outcome of a wrongful conduct trial in which Rambus’s conduct in the primary trial has been called into question. The wrongful conduct trial is not currently scheduled to begin until January 22, 2008. MPEP §2686.04 IV. states, “[a] non-final Court decision concerning a patent under reexamination shall have no binding effect on a reexamination proceeding.” The section goes on to explain that “a final Federal Court decision issues after all appeals.” Because no final judgment has been issued in the Hynix district court case and no appeals can yet be filed, certainly no “final decision” has been issued which requires a review in the pending *inter partes* reexamination proceedings.

Rambus’s charges of delay and gaming on the part of Samsung are entirely without merit. Rather it has been Rambus’s behavior throughout these and other civil proceedings which have caused delay, obfuscation, and deception as noted by officials in the other proceedings related to the same Rambus patents. Rambus has filed an overwhelming 60 patent applications over the course of 14 years based on the same specification (beginning with serial number 07/510,898 filed on April 18, 1990 through the last application with serial number 10/973,268 filed on October 27, 2004). Rambus has clearly used this delay tactic in an attempt to refine its claim language to read on the industry’s standardized DRAM products over the course of time.¹⁴ As described in Rambus’s Petition, Rambus has been and continues to assert large groups of patents

¹³ A substantial new question of patentability (“SNQ”) was identified for 18 claims of 95/000,166. A SNQ was identified for 19 claims in 95/000,178. A SNQ was identified for 19 claims in 95/000,250. A SNQ has been identified for 35 claims in the request for *inter partes* reexamination 95/000,183.

¹⁴ See, e.g., Opinion of the Commission, *In the Matter of Rambus, Inc.* (No. 9302) at 118-119 (“By hiding the potential that Rambus would be able to impose royalty obligations of its own choosing, and by silently using JEDEC to assemble a patent portfolio to cover the SDRAM and DDR SDRAM standards, Rambus’s conduct significantly contributed to JEDEC’s choice of Rambus’s technologies for incorporation in the JEDEC DRAM standards and to JEDEC’s failure to secure assurances regarding future royalty rates – which, in turn, significantly contributed to Rambus’s acquisition of monopoly power.”)

(e.g., 14 patents in a single lawsuit that were recently narrowed from 18 patents) resulting from these 60 applications against different DRAM manufacturers, in various, staggered, lawsuits.

In response to Rambus's charges, the litigants in these lawsuits must attack the validity of each asserted patents. Rambus now disingenuously levels accusations of harassment at Samsung for merely responding in a reasonable manner to Rambus's chosen litigation tactics. To provoke reexamination of the many different patents asserted by Rambus, Samsung has no alternative but to file a request for each patent, separately. Given the need to file separate requests, filing in a sequential fashion, as Samsung has done, actually reduces the burden on the Office. Filing a large number of *inter partes* reexaminations on a single day would place an extreme burden on the Office to determine, within the statutorily mandated three months, whether substantial new questions of patentability exist on a large number of unique claims.

Rambus criticizes Samsung for "gaming" when, in fact, it is Rambus's egregious conduct that has been cited by officials in other proceedings on the same patents. Recently the FTC commented, "[t]hrough a course of deceptive conduct, Rambus exploited its participation in JEDEC [the Joint Electronic Devices Engineering Council] to obtain patents that would cover technologies incorporated into now – ubiquitous JEDEC memory standards, without revealing its patent position to other JEDEC members. As a result, Rambus was able to distort the standard-setting process and engage in anticompetitive 'hold-up' of the computer memory industry."¹⁵ Further, Commissioner Leibowitz of the FTC commented, "Based on this wolf-in-sheep's-clothing pose, Rambus was in a position to, and did, amend its own patent claims in order to secretly convert what was intended to be an openly available industry-standard into a private source of revenues."¹⁶

Based on the foregoing, Rambus's Petition has not presented good cause for suspending the *inter partes* reexamination proceedings.

¹⁵ Opinion of the Commission, *In the Matter of Rambus, Inc.* (No. 9302) at 3.

¹⁶ Concurring Opinion of Jon Leibowitz, *In the Matter of Rambus, Inc.* (No. 9302) at 19.


Conclusion

For the reasons set out above, Rambus's Petition should be dismissed in its entirety, and a first Official Action should be issued for 95/000,183; 95/000,178; 95/000,166; and an Order Granting Reexamination should be issued for 95/000,250.

A check, in the amount of \$400.00, is submitted herewith for each *Inter Partes* Reexamination application noted above. The Commissioner is hereby authorized to charge any fee deficiencies or credit any overpayment to the Deposit Account of Haynes and Boone, LLP 08-1394.

Respectfully submitted,

HAYNES AND BOONE, LLP

By: 

Dated: June 14, 2007

David L. McCombs, Reg. No. 32,271

Exhibits

- Exhibit A: Joint Case Management Order, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal. 2000)(No. 00-20905).
- Exhibit B: Special Verdict Form, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal. 2000)(No. 00-20905).
- Exhibit C: Rambus's Disclosure of Twenty-Five Asserted Claims, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal. 2000)(No. 00-20905).
- Exhibit D: Joint Status Conference Statement, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal.) (No. 00-20905, 05-00334, 05-02298, 06-00244).
- Exhibit E: Transcript of Proceedings Before the Honorable Ronald M. Whyte U.S. District Judge at 29-30, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal.) (No. 00-20905, 05-00334, 05-02298, 06-00244).
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re <i>Inter Partes</i> Reexaminations of:	§	Examiner: Charles R. Craver
	§	
United States Patent No. 6,426,916;	§	Control Number: 95/000,166
	§	
United States Patent No. 6,324,120;	§	Control Number: 95/000,178
	§	
United States Patent No. 6,182,184;	§	Control Number: 95/000,183
	§	
United States Patent No. 6,452,863	§	Control Number: 95/000,250
	§	
	§	Group Art Unit: 3992

Main Stop *Inter-Partes* Reexam
Commissioner for Patents
P. O. Box 1450
Alexandria, VA 22313-1450

CERTIFICATE OF SERVICE

Pursuant to M.P.E.P. § 2266.06 and 37 C.F.R. §§ 1.248 and 1.903, the undersigned attorney for the Third Party Requester certifies that a copy of the Third-Party Requester's Petition and Opposition to Petition to Vacate the Filing Dates and Orders Granting *Inter Partes* Reexamination or, Alternatively, to Suspend the Proceedings and copies of Exhibits A-E were served, via overnight delivery service, on June 14, 2007, on Rambus and on counsel for Rambus at the following addresses:

David L. Soltz
Finnegan, Henderson, Farabow,
Garrett & Dunner, L.L.P.
901 New York Avenue, NW
Washington, DC 20001

~~Paul Anderson~~
Rambus Inc.
4440 El Camino Real
Los Altos, CA 94022

Respectfully submitted,

HAYNES AND BOONE, LLP

Dated: June 14, 2007

By: 

David L. McCombs, Reg. No. 32,271

Exhibit A

Joint Case Management Order, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal. 2000)(No. 00-20905).

E-FILED: 4/24/07

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

HYNIX SEMICONDUCTOR INC.; HYNIX
SEMICONDUCTOR AMERICA, INC.; HYNIX
SEMICONDUCTOR U.K. LTD.; and HYNIX
SEMICONDUCTOR DEUTSCHLAND GmbH,

Plaintiffs,

vs.

RAMBUS INC.,

Defendant.

CASE NO. C 00-20905 RMW

JOINT CASE MANAGEMENT
ORDER

Judge: Hon. Ronald M. Whyte

RAMBUS INC.,

Plaintiff,

v.

HYNIX SEMICONDUCTOR INC., HYNIX
SEMICONDUCTOR AMERICA INC., HYNIX
SEMICONDUCTOR MANUFACTURING
AMERICA INC.,

SAMSUNG ELECTRONICS CO., LTD.,
SAMSUNG ELECTRONICS AMERICA, INC.,
SAMSUNG SEMICONDUCTOR, INC.,
SAMSUNG AUSTIN SEMICONDUCTOR, L.P.,

NANYA TECHNOLOGY CORPORATION,
NANYA TECHNOLOGY CORPORATION U.S.A.,

Defendants.

CASE NO. C 05-00334 RMW

1 RAMBUS INC.,

2 Plaintiff,

3 v.

4 SAMSUNG ELECTRONICS CO., LTD., SAMSUNG
5 ELECTRONICS AMERICA, INC., SAMSUNG
6 SEMICONDUCTOR, INC., SAMSUNG AUSTIN
SEMICONDUCTOR, L.P.,

7 Defendants.

CASE NO. C 05-02298 RMW

8 RAMBUS INC.,

9 Plaintiff,

10 vs.

11 MICRON TECHNOLOGY, INC., and MICRON
12 SEMICONDUCTOR PRODUCTS, INC.,

13 Defendants.

CASE NO. C 06-00244 RMW

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1 Having considered the comments and proposals presented by the parties in advance of the
2 April 4, 2007 case management conference and during that conference, and in recognition of the
3 need for a detailed Case Management Order to adopt special procedures for managing the
4 complex issues and multiple parties in future proceedings for Case Nos. 00-20905, 05-00334, 05-
5 02298, and 06-00244 pursuant to Federal Rule of Civil Procedure 16(c)(12) and the court's
6 inherent powers, the court ORDERS:

7 1. **Trial Phasing**

8 a. *January 22 Trial in Rambus NDCal Cases.*

9 (1) Case Nos. 00-20905, 05-00334, 05-02298, and 06-00244 (the "Rambus
10 NDCal Cases") shall have a consolidated trial of the common claims and
11 defenses identified in Attachment A.¹ These claims and defenses for all
12 parties in the Rambus NDCal Cases shall be tried together in a trial
13 commencing on January 22, 2008 (hereinafter the "January 22 Trial").
14 Attachment A identifies the claims and defenses in the parties' current
15 pleadings that shall be tried in the January 22 Trial.² Attachment B
16 delineates the pretrial schedule for the January 22 Trial that was agreed
17 upon at the April 4, 2007 Case Management Conference.

18 (2) It is the court's intention that Case No. 00-20905 will be ready for entry of
19 final judgment shortly after the conclusion of the January 22 Trial, subject
20 to post-trial motions.

21
22 ¹ Rambus, Micron, and Samsung have objected to this trial format. The submission of the
23 proposed case management order by these parties does not constitute a waiver of such parties'
24 objections to a consolidated trial. However, in light of the court's decision to conduct a
25 consolidated trial on common issues, the parties have agreed as to the claims and defenses to be
26 tried in the trial commencing January 22, 2008 and the claims and defenses that will be part of
27 subsequent proceedings, as well as certain corresponding pretrial schedules.

28 ² Certain issues, such as spoliation, will not be included in the January 22 Trial even if they
are referred to in the pleadings. To the extent a claim or defense includes multiple bases, only
some of which are included in the January 22 Trial, resolution of a portion of the claim or defense
in the January 22 Trial will not operate as a bar under res judicata or similar principles to
resolution of the balance of such claim or defense in a later trial in the 05-06 Cases. Any issue
resolved during the January 22 Trial will, of course, be resolved for purposes of such later trial.

1 b. *Patent and Other Remaining Claims In 05-06 Cases.* Claims and defenses in Case
2 Nos. 05-00334, 05-02298, and 06-00244 (the "05-06 Cases") that are not part of
3 the January 22 Trial are not stayed and shall proceed with pretrial preparation (i.e.,
4 discovery, claim construction, dispositive motions) on all claims and defenses. To
5 that end, a joint schedule for the 05-06 Cases through claim construction that was
6 agreed upon at the April 4, 2007 Case Management Conference is attached hereto
7 as Attachment C.

8 (1) *Patent Infringement and Related Defenses.* Attachment D(1) delineates the
9 claims and defenses related to Rambus's allegations of patent infringement
10 that shall be considered part of the subsequent patent trial or trials
11 (hereinafter the "05-06 Patent Trial(s)").

12 (2) *Samsung-Unique Claims in Case Nos. 05-00334 and 05-02298 (hereinafter*
13 *the "Samsung-Unique Claims").* The Samsung-Unique Claims are
14 delineated in Attachment D(2).

15 (3) *Spoliation Issues.* Any claim or defense, or part thereof, in the 05-06 Cases
16 that is based on allegations of Rambus's destruction of documents,
17 litigation misconduct, or spoliation of evidence (hereinafter the "Spoliation
18 Issues") shall be adjudicated separately from the January 22 Trial and the
19 05-06 Patent Trial(s). The Spoliation Issues still pending are delineated in
20 Attachment D(3). Although they are not presently aware of any, the
21 Manufacturers reserve the right to seek to identify issues, in addition to
22 Spoliation Issues, that they contend are encompassed by the pleadings but
23 that do not fit in the January 22 Trial, the 05-06 Patent Trial(s), or the
24 Samsung-specific claims, for inclusion in Attachment D(3), and Rambus
25 reserves the right to oppose any such effort.

26 c. To the extent a claim or defense includes multiple bases, only some of which are
27 included in the January 22 Trial, nothing in this order shall preclude the court from
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1 considering evidence admitted during the January 22 Trial to the extent it is
2 relevant to consideration of the claim during a later trial in the 05-06 Cases.

- 3 d. Ten (10) court days after Rambus files its replies to the current counterclaims,
4 Rambus and the Manufacturers shall file with the court, as to each defense asserted
5 therein, a statement identifying the phase of the proceedings in which that defense
6 shall be tried.
- 7 e. Discovery in the 05-06 Cases shall be stayed between December 15, 2007 and the
8 end of the January 22 Trial.

9 2. Appointment of Special Master

- 10 a. In light of the special circumstances of the Rambus NDCal Cases and the
11 stipulation of the parties at the April 4, 2007 case management conference, the
12 court hereby appoints the Hon. Read Ambler (Ret.) as Special Master pursuant to
13 Federal Rule of Civil Procedure 53(b).
- 14 b. The duties of the Special Master shall include:
- 15 (1) Hearing and resolving all discovery disputes, either informally or by formal
16 motion; and
- 17 (2) Hearing and resolving any dispute concerning the terms of an appropriate
18 protective order for the case and any subsequent challenges to the
19 designation of materials pursuant to that protective order.
- 20 c. Pursuant to the Federal Rules of Civil Procedure dealing with review of magistrate
21 judges' orders, decisions of the Special Master shall be reviewable by the court
22 only if clearly erroneous or contrary to law or upon a request by the Special Master
23 for review of a particular issue or ruling.
- 24 d. The Special Master may communicate *ex parte* with the court but *ex parte*
25 communications with parties shall be in writing (such as by e-mail) and shall be
26 limited to non-substantive, logistical matters such as the delivery (or failure of
27 delivery) of documents or the temporary inability to call in to a previously
28 scheduled conference call. Notwithstanding the foregoing, the parties are not

1 prohibited from communicating *ex parte* with the Special Master's staff regarding
2 the scheduling of hearings, the service or filing of papers, and any other logistical
3 matters related to the Special Master's appointment.

4 e. The following process shall govern the parties' discovery disputes before the
5 Special Master:

6 (1) Any party desiring to have a hearing before the Special Master to have a
7 discovery matter resolved by motion shall prior to filing any such motion:

8 (a) meet and confer with counsel for the opposing party regarding an
9 appropriate hearing date for the subject discovery motion;

10 (b) arrange with the Special Master to set the hearing no sooner than
11 twelve court days after the filing and service of the moving papers; and

12 (c) promptly give notice to the opposing party of the date and time of
13 the hearing arranged with the Special Master.

14 Any opposition to such a motion shall be served and filed at least five court
15 days before the hearing arranged under subparagraph (b) above, and any
16 reply shall be filed and served at least two court days before that hearing.

17 (2) Should a party seek to have resolved by motion to the Special Master any
18 discovery matter without a hearing, that party may file and serve its
19 moving papers without first complying with the provisions of Paragraph 1
20 above. The party opposing the motion shall file and serve its response to
21 the motion within seven court days after filing and service of the moving
22 papers. Any reply in support of the motion shall be filed and served within
23 three court days after the filing and service of the opposition. Should the
24 opposing party desire a hearing on the subject motion, that party shall first
25 comply with the provisions of subparagraphs (a) through (c) to Paragraph 1
26 above. Otherwise, the parties agree that the Special Master may decide the
27 matter without a hearing. The setting of a hearing at the request of the
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1 party opposing the motion shall not affect the briefing schedule required by
2 this paragraph.

3 (3) For purposes of proceedings pursuant to this stipulation, service shall be by
4 facsimile, personal delivery, and/or email. If there are voluminous
5 exhibits, these shall be served by overnight delivery.

6 (4) Nothing in this stipulation and order shall prevent the parties from
7 stipulating to or applying to the Special Master for a different hearing
8 and/or briefing schedule than those set forth in Paragraphs 1 and 2 above.

9 (5) Nothing in this stipulation and order shall prevent either party from
10 contacting the Special Master by telephone during a deposition and seeking
11 immediate rulings on any dispute relating to the deposition.

12 f. For a dispute involving all parties to the Rambus NDCal Cases, the Special
13 Master's fees and costs shall be shared equally by the parties. For a dispute
14 involving less than all of the parties, the Special Master's fees and costs shall be
15 shared equally by the parties involved in that dispute. The Special Master may
16 decide in his discretion who is "involved" in a discovery dispute for purposes of
17 allocating his fees and costs. The Special Master's rate shall be his standard rate
18 as set by JAMS.

19 3. Collateral Estoppel Issues

20 This order itself shall not be used by any party to argue that any verdict, finding,
21 judgment, or order of the court entered with respect to non-consolidated claims in *Hynix I*,
22 or any verdict, finding, judgment, or order of the court previously entered with respect to
23 consolidated claims in *Hynix I*, binds any other party. However, this order does not
24 preclude any argument that a particular claim or issue is barred by the doctrine of res
25 judicata, collateral estoppel, law of the case or similar principles.

1 4. **Appointment of Lead Counsel**

2 a. By or before May 1, 2007 the Manufacturers shall appoint a single firm to act as
3 "lead counsel" with the court and Rambus solely for scheduling and coordination
4 of discovery and motions and related administrative matters.³

5 b. Lead counsel shall:

- 6 (1) coordinate the initiation and conduct of discovery on behalf of
7 Manufacturers consistent with the requirements of Fed. R. Civ. P 26(b)(1),
8 26(2), and 26(g), including the preparation of joint discovery where
9 required by this order and the scheduling of witnesses for depositions; and
10 (2) coordinate the briefing on common issues in all motions so that those
11 issues are all briefed in a single motion or opposition.

12 c. No communication among Manufacturers' counsel or on their behalf for purposes
13 of carrying out the responsibilities of lead counsel shall be taken as a waiver of any
14 privilege or protection to which they would otherwise be entitled.

15 5. **Discovery**

16 a. Discovery for purposes of Case No. 00-20905 is closed. Discovery for purposes of
17 the 05-06 Cases shall be conducted to avoid unnecessary duplication of efforts and
18 burden on the parties, witnesses, and third parties. This Case Management Order
19 and the discovery procedures and limits set forth herein shall apply to all claims
20 and defenses in the 05-06 Cases.

21 b. Cross-Use of Discovery

- 22 (1) All documents, responses to interrogatories, and responses to requests for
23 admission produced or served in the Rambus Related Actions (set forth in
24 Attachment E) shall be produced in the Rambus NDCal Cases, with the
25 exception of documents over which a party continues to maintain a claim
26 of privilege that has not been pierced or overruled in Case No. 00-20905,

27 ³ Samsung and Nanya object to the appointment of liaison counsel, and their objections are
28 overruled.

1 05-00334, 05-02298, or 06-00244. For documents produced in the
2 Rambus Related Actions by entities or individuals not a party to the
3 Rambus NDCal Cases ("third party"), those documents are ordered
4 produced and the parties in the Rambus NDCal Cases shall jointly give
5 notice to the third party and provide a copy of this Case Management Order
6 and the Protective Order entered in this case. If the third party objects to
7 the court's ordered production of documents previously produced in one or
8 more Rambus Related Actions, disputes over that production shall be
9 brought promptly to the attention of the Special Master.

10 (2) All depositions or other sworn testimony in the Rambus Related Actions
11 may be used by any party in the Rambus NDCal Cases as if taken in each
12 of the Rambus NDCal Cases. A party shall be allowed to take a further
13 deposition with respect to new issues with which it is concerned. A party
14 shall not repeat prior lines of questioning of a deponent.

15 (3) To facilitate the provisions of Paragraph (b)(2), each Party is ordered to
16 produce by May 8, 2007 transcripts and deposition exhibits for all non-
17 privileged prior depositions or other sworn testimony of its current or
18 former officers or employees as well as all depositions of its experts in the
19 Rambus Related Cases. For testimony from witnesses not affiliated with
20 any party to the Rambus NDCal Cases (i.e., third parties), the parties shall
21 meet and confer to promptly agree upon a process for disseminating
22 transcripts of such third-party testimony to parties not in possession of
23 those transcripts.

24 (4) Upon written notice from the party producing any deposition pursuant to
25 Paragraphs b.2. and b.3. above, the party requesting the deposition shall
26 treat the deposition and its exhibits according to any confidentiality
27 designation previously given under the applicable protective order from the
28 action in which the deposition was taken.

1 c. Depositions

- 2 (1) This court recognizes the significant volume of testimony previously
3 elicited from current and former Rambus officers, directors, and employees
4 in the various Rambus Related Actions. In light of this extensive record,
5 the court is setting limits on further deposition discovery.
- 6 (2) The Manufacturers collectively shall be limited to 125 additional hours of
7 depositions that the Manufacturers may take in the Rambus NDCal Cases.
8 These 125 hours may be allocated at the Manufacturers' discretion between
9 the claims and defenses in listed in Attachment A (the January 22 Trial),
10 Attachment D(1) (the 05-06 Patent Trial(s)), and Attachment D(3). In
11 addition, Samsung individually shall be allocated an additional 50 hours of
12 depositions for purposes of the party-unique issues in the Samsung-Unique
13 Claims delineated in Attachment D(2).
- 14 (3) Rambus shall be limited to 300 additional hours of depositions that
15 Rambus may take in the Rambus NDCal Cases, with no more than 90
16 hours being taken of current or former Samsung officers, directors,
17 employees, or agents, no more than 90 hours being taken of current or
18 former Nanya officers, directors, employees, or agents, no more than 75
19 hours being taken of current or former Micron officers, directors,
20 employees, or agents, and no more than 45 hours of current or former
21 Hynix officers directors, employees, or agents. In addition, Rambus shall
22 be allocated an additional 50 hours of depositions for purposes of the party-
23 unique issues in the Samsung-Unique Claims delineated in Attachment
24 D(2).
- 25 (4) The deposition limits outlined in Paragraphs (c)(2) & (3) do not include
26 expert deposition time.
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- 1 (5) All deposition time spent by a party in the Other Rambus Actions,⁴ after
2 entry of this order, shall not count against the time limits set forth above.
3 However, any party can apply to the Special Master for an appropriate time
4 deduction if time is spent in those depositions on issues that are common to
5 those in the Rambus NDCal Cases before this court.
- 6 (6) For all depositions conducted with an English-language translator, two
7 hours of deposition time will only count as one hour towards the deposition
8 time limits to account for the slower pace of a translated deposition.
- 9 (7) These time limits apply to depositions involving issues related to all claims
10 and defenses in the 05-06 Cases, and are not limited to the issues to be tried
11 in the January 22 Trial.
- 12 (8) The parties may notice a witness for only one individual deposition in the
13 05-06 Cases, and, if that person has previously been deposed in one or
14 more of the Rambus Related Actions, shall not repeat prior lines of
15 questioning of such person. A prior individual deposition of a witness
16 includes the deposition of a Rule 30(b)(6) designee on the designated
17 subject. During that deposition, the noticing side (i.e., the Manufacturers
18 or Rambus) shall cover all questions related to all claims and defenses that
19 it wishes to ask the deponent, regardless of the "phase" of the trial in which
20 those claims and defenses are being tried. A party shall not conduct a
21 second deposition of a person in the 05-06 Cases without leave of the court
22 upon a showing of good cause. The Special Master shall hear and decide
23 any disputes concerning the scope of this paragraph and the scope of
24 proper questioning.

25
26 ⁴ *Rambus Inc. v. Micron Technology, Inc., et al.*, Case No. 04-431105 (San Francisco
27 Superior Court); *Micron Technology, Inc. v. Rambus Inc.*, Case No. 00-792-JJF (D. Del.); and
28 *Samsung Electronics Co. Ltd. et al v. Rambus Inc.*, Case No. 1454-N (Delaware Chancery Court)
shall be referred to collectively as "the Other Rambus Actions."

d. Supplemental Rule 26 Disclosures

- (1) In light of the January 22 Trial of the common claims and defenses in Attachment A and the discovery limits set forth below, each party to the Rambus NDCal Cases shall supplement its Rule 26(a)(1)(A) witness disclosures by July 9, 2007. In addition, by August 17, 2007, each party shall identify those persons in its supplemental witness disclosures whom it is reasonably likely to call to provide trial testimony in the January 22 Trial.
- (2) If any Manufacturer identifies a total of more than fifteen witnesses as reasonably likely to provide trial testimony and who have not previously testified in any Rambus Related Action on the subject matter for which the witness is identified, then Rambus has a presumptive right to additional deposition time from that Manufacturer beyond the limits outlined below. If Rambus identifies a total of more than fifteen witnesses as reasonably likely to provide trial testimony and who have not previously testified on the subject matter for which the witness is identified, then the Manufacturers have a presumptive right to additional deposition time beyond the limits outlined below.⁵ A party may seek additional deposition time pursuant to this paragraph by stipulation of the parties, or by noticed motion to the Special Master.

e. Interrogatories and Requests for Admission

- (1) The court recognizes the significant volume of written discovery and document productions that have been previously exchanged in the various

⁵ These totals shall be for all trials and proceedings combined. For example, if Rambus discloses eight witnesses (who have not previously given testimony on the subjects disclosed) as reasonably likely to provide trial testimony in the January 22, 2008 trial, and then later discloses an additional eight witnesses (who have not previously given testimony on the subjects disclosed) as reasonably likely to provide trial testimony in the 05-06 Patent Trial(s), then the Manufacturers shall have a presumptive right to additional deposition time through stipulation or noticed motion since the total number of potential trial witnesses exceeded fifteen.

1 Rambus Related Actions. In light of this extensive paper record from the
2 Rambus Related Actions, the court is setting limits on further
3 interrogatories and requests for admission.

4 (2) The Manufacturers collectively may propound up to 10 additional
5 interrogatories and 10 requests for admission in the 05-06 Cases beyond
6 those already propounded in the 05-06 Cases. The Manufacturers may, in
7 addition, each propound up to 5 additional individualized interrogatories.
8 These limits apply to all claims and defenses, and are not limited to the
9 issues to be tried in the January 22 Trial.

10 (3) Rambus may propound up to 10 additional interrogatories and 5 requests
11 for admission on each of the Manufacturers in the 05-06 Cases beyond
12 those already propounded in the 05-06 Cases, for a total of 40 additional
13 interrogatories and 20 additional requests for admission in the 05-06 Cases.
14 These limits apply to all claims and defenses, and are not limited to the
15 issues to be tried in the January 22 Trial.

16 f. Confidentiality Order

17 (1) The parties shall provide to the court a single, common Protective Order
18 governing the 05-06 Cases. If the parties are unable to agree upon a form
19 of protective order, they shall bring their dispute regarding the form of
20 protective order to the attention of the Special Master no later than May 1,
21 2007 for prompt resolution.

22 g. Documents

23 (1) *Limits on Requests.* Document requests, although unlimited in number,
24 must be narrowly tailored.

25 (2) *Rolling Production.* The parties must produce documents to which they
26 have not raised an objection on a rolling basis rather than waiting until all
27 documents responsive to a request have been gathered.
28

1 (3) *Avoidance of Multiple Requests and Coordination of Document Requests.*

2 The Manufacturers shall coordinate their future requests for production to
3 eliminate requests that are duplicative of one another, and all parties shall
4 coordinate future requests for production to eliminate requests that are
5 duplicative of the requests for production already served in the Rambus
6 Related Cases.

7 (4) *Documents Produced in Rambus NDCal Cases.* By May 8, each party shall

8 produce all of the documents they have produced to date in any of the
9 Rambus NDCal Cases to all other parties to the Rambus NDCal Cases,
10 except where the other parties are already in possession of such documents.

11 (5) *Third Party Documents in Rambus NDCal Cases.* By May 21, each party

12 shall (a) complete any notice period required to be given to third parties
13 under any applicable protective order regarding the production of third
14 party documents and (b) produce all third party documents obtained by
15 subpoena in the Rambus NDCal Cases to all other parties to the Rambus
16 NDCal Cases, except where the other parties are already in possession of
17 such documents.

18 (6) *Privilege.* A party who, relying on any privilege or on the work product
19 doctrine, does not produce all relevant or requested documents in response
20 to a request for production of documents or a subpoena must identify and
21 describe the documents withheld in sufficient detail to enable the
22 requesting party to assess the applicability of the privilege or doctrine. A
23 privilege log should be in form suggested by Form 11:A in Schwarzer,
24 Tashima & Wagstaffe, CAL. PRACTICE GUIDE: FED. CIV. PRO. BEFORE
25 TRIAL (The Rutter Group 2007), p. 11-309.

h. Amendments to Discovery Rules

The discovery limits set forth in this order may be amended only upon good cause shown and brought by a written, noticed motion to the Special Master for determination.

6. Experts

- a. To facilitate prompt and efficient preparation for the January 22 Trial, Hynix shall share with Manufacturers the materials related to Hynix's experts who were to testify in the August 2006 "Phase III" trial in the 00-20905 Case and who Hynix may still call as witnesses and Micron shall share with Manufacturers the materials related to Micron's experts who were to testify in the May 2001 trial in the 00-792-JJF case in the District of Delaware and who Micron may still call as witnesses.
- b. Rambus shall disclose only one testifying expert on any particular issue. The Manufacturers shall agree on, disclose, and offer only one testifying expert on any particular issue common to one or more of the Manufacturers that is to be the subject of expert testimony, so as to avoid cumulative testimony. If the Manufacturers are unable to agree on a single expert for a particular issue, they may seek leave of court to offer more than one expert upon a showing of prejudice to one or more party's interests. Rambus may similarly seek leave to offer more than one expert on a subject matter upon a showing of prejudice if it were not allowed to do so.
- c. On or before June 22, 2007, the party or parties with the burden of proof on an issue shall provide expert disclosures with respect to each issue as to which such party or parties bear the burden of proof. On or before July 20, 2007, the party or parties with the burden of proof on an issue shall provide an expert report addressing that issue. On or before August 17, 2007, the parties shall provide rebuttal expert disclosures and reports. Depositions of experts identified may commence at a mutually convenient time immediately after service of all reports.

1 The schedule for disclosure of expert and rebuttal expert reports is contained in
2 Attachment B.

3 7. Amendments of Pleadings and This Order

4 No further amendments to the pleadings or this order shall be allowed in any of the
5 Rambus NDCal Cases, except where a pleading or amendment to an existing pleading
6 may be filed as of right or unless a party obtains permission to modify this order upon a
7 showing of good cause. See Fed. R. Civ. P. 16(b). To the extent new claims or defenses
8 are asserted in a pleading permitted by this section, the parties shall promptly file with the
9 court, as to each such claim or defense, a statement identifying the phase of the
10 proceedings in which such claim or defense shall be tried.

11 8. Further Status Conferences

- 12 a. *Regularly Scheduled Conferences.* The court will convene a status conference in
13 this litigation on May 24, 2007 at 2 p.m., July 20, 2007 at 10:30 a.m. and October
14 26, 2007 at 10:30 a.m. The parties shall submit a Joint Status Conference
15 Statement no later than three business days prior to each status conference. The
16 parties shall set all motions, to the extent reasonably possible, on dates on which
17 there is a regularly scheduled status conference. Parties should make every effort
18 not to notice depositions for days on which status conferences are scheduled, and
19 no deposition shall go forward on such days without prior leave of court.
- 20 b. *Identification of Claims.* Before the status conference on May 24, 2007, the parties
21 shall meet and confer regarding the identification of the claims to be included in
22 the 05-06 Patent Trial. If they cannot agree on the claims that will be at issue,
23 each party should be prepared to propose how to select a reasonable number of
24 representative claims to be tried. The court intends to significantly limit the
25 number of claims at issue as it is unreasonable to have near the number that
26 Rambus currently asserts in one case.
- 27 c. *Hynix I Orders and Pending Motions.* Before the status conference on May 24,
28 2007 Rambus is to identify for any applicable Manufacturer any order in the Hynix

1 00-20905 litigation that it intends to move to broaden so it applies to that
2 Manufacturer in the January 22 Trial. The Manufacturers are to identify for
3 Rambus any submitted but not yet ruled upon motion affecting the January 22
4 Trial on which any Manufacturer wants to submit argument. The parties are to be
5 prepared to propose a briefing schedule for any such motions.

6 d. *Order and Scheduling of Remaining Issues.* The parties should be prepared at the
7 May 24, 2007 status conference to propose the order in which the issues remaining
8 after the January 22 Trial should be tried and tentative dates for those trials. The
9 court does not intend to set a date for any subsequent trials but the parties will be
10 expected to reserve potential dates.

11
12 Dated: 4/24/07

/s/ Ronald M. Whyte
RONALD M. WHYTE
United States District Judge

ATTACHMENT A

Joint Submission of Claims and Defenses For January 22, 2008 Trial

The following are the claims and defenses in the parties' current pleadings that will be tried in the January 22 Trial. This list of claims and defenses is without prejudice to pending or future motions.⁶

<i>Claim Or Defense:</i>	<i>Reference in Pleadings:</i>
<u>SAMSUNG:</u>	
Prosecution Laches	4 th Affirmative Defense
Equitable Estoppel	6 th Affirmative Defense
Estoppel **	7 th Affirmative Defense
Implied License **	8 th Affirmative Defense
Declaratory Judgment of Unenforceability **	Claim X
Section 17200 **	Claim VII
<u>NANYA:</u>	
Prosecution Laches	8 th Affirmative Defense
Estoppel	9 th Affirmative Defense
Laches	11 th Affirmative Defense
Equitable estoppel	12 th Affirmative Defense
Waiver	13 th Affirmative Defense
Patent misuse	16 th Affirmative Defense
Monopolization	Counterclaim 1
Attempted Monopolization	Counterclaim 3

** Indicates that a claim or defense has allegations arising from or related to Rambus's conduct that will not be tried in the January 22 Trial.

⁶ Samsung and Micron propose that this list of claims and defenses should be without prejudice to pending or future motions or to any other relief that the parties may seek pursuant to the Federal Rules of Civil Procedure or other applicable law.

ATTACHMENT A
PAGE 2

<i>Claim Or Defense:</i>	<i>Reference in Pleadings:</i>
<u>NANYA (CONT.):</u>	
Abuse of Standards Setting Process	Counterclaim 3
Section 17200	Counterclaim 4
Fraud and Deceit	Counterclaim 5
Declaratory Judgment of Unenforceability **	Counterclaim 8

** Indicates that a claim or defense has allegations arising from or related to Rambus's conduct that will not be tried in the January 22 Trial.

⁷ In 2005, Rambus moved to dismiss Nanya's Counterclaim 3. The Court heard oral argument on this motion on October 28, 2005, and indicated that it was inclined to grant the motion to dismiss, with leave to amend. A Minute Order dated October 28, 2005 stated that the Court's tentative ruling was to grant the motion to dismiss with leave to amend within 20 days and that the Court would issue a final ruling to the parties. The Court has yet to issue such a ruling. Nanya did not file an amended version of Counterclaim 3.

ATTACHMENT A
PAGE 3

MICRON:⁸	
Unenforceability ** patent misuse equitable estoppel waiver laches ** laches in the PTO violations of the antitrust laws ** violation of the unfair competition laws **	Sixth Defense (portions)
Implied License	Ninth Defense
Declaratory Judgment of Unenforceability as to each identified patent **	Counterclaim Counts I-XIV (portions – see “Unenforceability” def. above)
Monopolization and Attempted Monopolization **	Counterclaim Count XV
Breach of Contract	Counterclaim Count XVII
Fraud	Counterclaim Count XVIII
Equitable Estoppel	Counterclaim Count XIX
Negligent Misrepresentation	Counterclaim Count XX
Unfair Competition **	Counterclaim Count XXI

** Indicates that a claim or defense has allegations arising from or related to Rambus’s conduct that will not be tried in the January 22 Trial.

⁸ Micron believes that the basis (excluding Patent and Spoliation Issues) for its Sixth Defense shares a substantial overlap in evidence with the other issues the Court has identified for inclusion in the January 22 Trial.

ATTACHMENT A
PAGE 4

<i>Claim Or Defense:</i>	<i>Reference in Pleadings:</i>
<u>HYNIX:</u>	
Monopolization	Count 1 ('905) Counterclaim 1 ('334)
Attempted Monopolization	Counterclaim 2 ('334)
§ 17200	Count 3 ('905) Counterclaim 3 ('334)
Fraud	Count 8 ('905) Counterclaim 4 ('334)
Prosecution Laches	9th Affirmative Defense ('905) 8th Affirmative Defense ('334)
Equitable Estoppel	6th Affirmative Defense ('905) 10th Affirmative Defense ('334)
Estoppel re JEDEC	9th Affirmative Defense ('334)
Estoppel – Other DRAM	6th Affirmative Defense ('905) 10th Affirmative Defense ('334)
Laches **	13th Affirmative Defense ('334)
Waiver ⁹	7 th Affirmative Defense ('905) 11th Affirmative Defense ('334)
Unclean Hands **	11th Affirmative Defense ('905) 12th Affirmative Defense ('334)
Declaratory Judgment of Unenforceability **	Counterclaim 7 ('334)

** Indicates that a claim or defense has allegations arising from or related to Rambus's conduct that will not be tried in the January 22 Trial.

⁹ Hynix currently believes that its waiver defense (excluding any Spoliation Issues) shares a substantial overlap in evidence with the other Manufacturers' claims that are identified for inclusion in the January 22 Trial.

ATTACHMENT B

Pretrial Schedule for January 22, 2008 Trial

May 24, 2007	Hearing on Rambus motions to dismiss 17200 and Samsung-Steinberg claims and Samsung motion for summary judgment (collateral estoppel)
June 22, 2007	Expert disclosures (party with burden of proof)
July 20, 2007	Expert reports (party with burden of proof)
August 17, 2007	Rebuttal reports and disclosures
September 17, 2007	Last day for expert discovery
October 1, 2007	Last day to file summary judgment and Daubert motions
December 13-14, 2007	Pretrial conference
January 22, 2008	Trial

ATTACHMENT C

Pretrial Schedule Up To Claim Construction For 05-06 Patent Trial(s)

EVENT	DATE
Manufacturers' Preliminary Invalidity Contentions	May 11, 2007
Exchange Proposed Terms and Claim Elements for Construction	May 25, 2007
Exchange Preliminary Claim Constructions, Including Preliminary Identification of Extrinsic Evidence	June 22, 2007
Joint Claim Construction and Prehearing Statement	July 11, 2007
Opening Claim Construction Briefs	August 24, 2007
Responsive Claim Construction Briefs	September 14, 2007
Claim Construction Reply Briefs	September 28, 2007
Summary Judgment Motions that Depend on Claim Construction Issues	October 5, 2007
Oppositions to Summary Judgment Motions that Depend on Claim Construction Issues	November 2, 2007
Replies in Support of Summary Judgment Motions that Depend on Claim Construction Issues	November 16, 2007
Patent Expert Discovery Cut-Off	December 15, 2007
Claim Construction Hearing	TBD

ATTACHMENT D(1)
Joint Submission of Claims and Defenses For 05-06 Patent Trial(s)

The following are the claims and defenses in the parties' current pleadings that will be tried in the 05-06 Patent Trial(s) after the January 22 Trial. This list of claims and defenses is without prejudice to pending or future motions.¹⁰

<i>Claim Or Defense:</i>	<i>Reference in Pleadings:</i>
<u>SAMSUNG:</u>	
Failure To State A Claim	First Affirmative Defense
Noninfringement	Second Affirmative Defense
Patent Invalidity	Third Affirmative Defense
Equitable Estoppel	Sixth Affirmative Defense
Marking and Limitations	Ninth Affirmative Defense
Declaratory Judgment of Noninfringement	Count VIII
Decl. Judg't of Invalidity	Count IX
Declaratory Judgment of Unenforceability **	Count X
<u>NANYA:</u>	
Failure to state a claim	1 st Affirmative Defense
Non-infringement	2 nd Affirmative Defense
Invalidity	3 rd Affirmative Defense
Failure to mark	4 th Affirmative Defense
Prosecution history estoppel	5 th Affirmative Defense
Limitation on damages and costs	6 th Affirmative Defense
Inequitable conduct	7 th Affirmative Defense

** Indicates that a claim or defense has allegations that will also be tried in the January 22 Trial or in any subsequent proceedings related to the Spoliation Issues.

¹⁰ Samsung and Micron propose that this list of claims and defenses should be without prejudice to pending or future motions or to any other relief that the parties may seek pursuant to the Federal Rules of Civil Procedure or other applicable law.

**ATTACHMENT D(1)
PAGE 2**

<u>NANYA (CONT.):</u>	
Implied license (based on Intel license)	14 th Affirmative Defense
Patent exhaustion (based on Intel license)	15 th Affirmative Defense
Declaratory judgment of non-infringement	Counterclaim 6
Declaratory judgment of invalidity	Counterclaim 7
Counterclaim 8 – Declaratory judgment of unenforceability **	Counterclaim 8
<u>MICRON:</u>	
Lack of Standing	First Defense
Non-infringement	Second Defense
Invalidity under 102 and 103	Third Defense
Invalidity under 112	Fourth Defense
Invalidity under 116	Fifth Defense
Inequitable Conduct	Seventh Defense
License	Eighth Defense
Failure to Mark	Tenth Defense
Exceptional Case	Eleventh Defense
Declaratory Judgment of Invalidity and Noninfringement as to each identified patent **	Counterclaim Counts I-XIV (portions)
Monopolization and Attempted Monopolization - Walker Process	Counterclaim Count XVI

** Indicates that a claim or defense has allegations that will also be tried in the January 22 Trial or in any subsequent proceedings related to the Spoliation Issues.

ATTACHMENT D(1)
PAGE 3

<u>HYNIX:</u>	
Failure to state a claim	1 st Affirmative Defense ('334)
Non-infringement	2 nd Affirmative Defense ('334)
Invalidity	3 rd Affirmative Defense ('334)
Failure to mark	4 th Affirmative Defense ('334)
Prosecution history estoppel	5 th Affirmative Defense ('334)
Limitation on damages and costs	6 th Affirmative Defense ('334)
Inequitable conduct	7 th Affirmative Defense ('334)
Implied license (based on Intel and AMD licenses)	15 th Affirmative Defense ('334)
Patent exhaustion (based on Intel and AMD licenses)	16 th Affirmative Defense ('334)
Declaratory judgment of non-infringement	Counterclaim 5 ('334)
Declaratory judgment of invalidity	Counterclaim 6 ('334)
Declaratory judgment of unenforceability **	Counterclaim 7 ('334)

** Indicates that a claim or defense has allegations that will also be tried in the January 22 Trial or in any subsequent proceedings related to the Spoliation Issues.

ATTACHMENT D(2)

Joint List of Samsung-Unique Claims

The following are Samsung's unique Counterclaims and Defenses in its current pleadings that do not fit within the January 22 Trial or the 05-06 Patent Trial(s) outlined in Attachments A and D(1). This list of claims is without prejudice to pending or future motions. To the extent these Samsung-Unique Claims proceed to trial in this court, they will be adjudicated following the January 22 Trial and the 05-06 Patent Trial(s).¹¹

<i>Claims:</i>	<i>Reference in Pleadings:</i>
<u>SAMSUNG:</u>	
Breach of Section 3.8 of the SDR/DDR License	Count I
Breach of Section 8.5 of the SDR/DDR License	Count II
Breach of the Duty of Good Faith and Fair Dealing of Section 3.8 and 8.5 of the SDR/DDR License	Count III
Aiding and Abetting Breach of Fiduciary Duty to a Current Client	Count IV
Aiding and Abetting Breach of Fiduciary Duty to a Former Client	Count V
Intentional Interference with Contract	Count VI
Violation of Bus. & Prof. Code Section 17200 **	Count VII
Estoppel **	7 th Affirmative Defense
Implied License **	8 th Affirmative Defense

** Indicates that a claim has Samsung-specific allegations that will not be part of the January 22 Trial combined with other allegations that will be part of the January 22 Trial.

¹¹ Samsung and Micron propose that this list of claims and defenses should be without prejudice to pending or future motions or to any other relief that the parties may seek pursuant to the Federal Rules of Civil Procedure or other applicable law.

ATTACHMENT D(3)

Joint Submission of Claims and Defenses Not Otherwise Accounted For

The following are claims and defenses that the Manufacturers have advised include Spoliation Issues; to that limited extent, these claims and defenses do not fit within the January 22 Trial or the 05-06 Patent Trial(s) outlined in Attachments A and D(1), nor are they Samsung-specific claims that would properly fall within the claims in Attachment D(2). This list of claims and defenses is without prejudice to pending or future motions. Although they are not presently aware of any, the Manufacturers reserve the right to seek to identify issues, in addition to Spoliation Issues, that they contend are encompassed by the pleadings but that do not fit in the January 22 Trial, the 05-06 Patent Trial(s), or the Samsung-specific claims, for inclusion on this list, and Rambus reserves the right to oppose any such effort.¹²

<i>Claim Or Defense (Spoliation Issues only):</i>	<i>Reference in Pleadings:</i>
<u>SAMSUNG:</u>	
Section 17200	Count VII
Declaratory Judgment of Unenforceability	Count X
<u>Unclean Hands</u>	5 th Affirmative Defense
<u>NANYA:</u>	
Declaratory Judgment of Unenforceability	Counterclaim 8
Unclean Hands	10 th Affirmative Defense

¹² Samsung and Micron propose that this list of claims and defenses should be without prejudice to pending or future motions or to any other relief that the parties may seek pursuant to the Federal Rules of Civil Procedure or other applicable law.

ATTACHMENT D(3)
PAGE 2

<u>MICRON:</u>	
Unenforceability unclean hands violation of the unfair competition laws violations of the antitrust laws laches	Sixth Defense (portions)
Declaratory Judgment of Unenforceability as to each identified patent	Counterclaim Counts I-XIV (portions – see “Unenforceability” defense above)
Monopolization	Counterclaim Count XV
Section 17200	Counterclaim Count XXI
<u>HYNIX:</u>	
Unclean Hands	12 th Affirmative Defense ('334)
Laches	13 th Affirmative Defense ('334)
Collateral Estoppel	14 th Affirmative Defense ('334)
Declaratory Judgment of Unenforceability	Counterclaim 7 ('334)

ATTACHMENT E

List of "Rambus Related Actions"

1. *Rambus Inc. v. Hynix Semiconductor Inc.*, et al.; Samsung Electronics Co., et al.; and Nanya Technology Corporation, et al., Case No. C 05-00334 RMW in the District Court for the Northern District of California;
2. *Rambus Inc. v. Samsung Electronics Co.*, et al., Case No. C 05-02298 RMW in the District Court for the Northern District of California;
3. *Rambus Inc. v. Micron Technology, Inc.*, et al., Case No. C 05-00244 RMW in the District Court for the Northern District of California;
4. *Hynix Semiconductor Inc.*, et al. v. *Rambus Inc.*, Case No. C 00-20905 RMW in the District Court for the Northern District of California;
5. *Rambus Inc. v. Infineon Technologies AG*, et al., Case No. 3:00CV524 in the District Court for the Eastern District of Virginia;
6. *Micron Technology, Inc. v. Rambus Inc.*, Case No. 00-792-JJF in the District Court for the District of Delaware;
7. *Samsung Electronics Co. Ltd. et al v. Rambus Inc.*, Court of Chancery of the State of Delaware, Case No. 1454-N;
8. *Samsung Electronics Co. Ltd. et al v. Rambus Inc.* Case No. 3:05-cv-00406-REP in the District Court for the Eastern District of Virginia;
9. *Alberta Telecommunications Research Centre v. Rambus Inc.*, U.S. District Court for the Northern District of California, Case No. C-06-02595;
10. *Rambus Inc. v. Micron Technology, Inc.*, et al., Case No. 04-431105 in the Superior Court of the State of California; and
11. *In the Matter of Rambus Inc.*, Docket No. 9302 before the Federal Trade Commission.

1 Notice of this document has been electronically sent to:

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25 Counsel are responsible for distributing copies of this document to co-counsel that have not
26 registered for e-filing under the court's CM/ECF program.

27 Dated: 4/24/07 SPT
28 Chambers of Judge Whyte

Exhibit B

Special Verdict Form, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal. 2000)(No. 00-20905).

FILED

SPECIAL VERDICT FORM

APR 24 2006

RECEIVED
CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

A. Instructions

For purposes of these questions, Rambus Inc. shall be referred to as "Rambus," and Hynix Semiconductor, Inc., Hynix Semiconductor America, Inc., Hynix Semiconductor U.K. Ltd. and Hynix Semiconductor Deutschland GmbH shall be referred to as "Hynix."

The questions below contain legal terms that are defined and explained in detail in the Jury Instructions. Please refer to the Jury Instructions if you are unsure about the meaning or usage of any legal term that appears in the questions below.

B. Findings on Rambus's Allegations of Patent Infringement by Hynix

1. Has Rambus proven that it is more likely than not that Hynix's SDRAM products infringe any of the following claims of Rambus's patents?

Answer "Yes" or "No" as to each claim:

'918 Patent, Claim 24 Yes (yes = infringed; "no" = not infringed)

'916 Patent, Claim 9 Yes

'916 Patent, Claim 28 Yes

2. Has Rambus proven that it is more likely than not that Hynix's DDR SDRAM products infringe any of the following claims of the Rambus patents?

Answer "Yes" or "No" as to each claim:

'105 Patent, Claim 34 Yes (yes = infringed; "no" = not infringed)

'918 Patent, Claim 24 Yes

'918 Patent, Claim 33 Yes

'020 Patent, Claim 32 Yes

'020 Patent, Claim 38 Yes

'916 Patent, Claim 9 Yes

'916 Patent, Claim 28 Yes

'916 Patent, Claim 40 Yes

C. Findings on Hynix's Allegations of Invalidity of Rambus's Patents

3. Has Hynix proven that it is highly probable that any of the following claims of Rambus's patents are invalid because the claims are "anticipated"?

Answer "Yes" or "No" with respect to each claim:

'918 patent, Claim 24 NO ("yes" = anticipated; "no" = not anticipated)

'120 patent, Claim 33 NO

'020 patent, Claim 32 NO

'020 patent, Claim 36 NO

'916 patent, Claim 9 NO

'916 patent, Claim 28 NO

'863 patent, Claim 18 NO

4. Has Hynix proven that it is highly probable that any of the following claims are invalid because the claimed invention would have been obvious at the time the invention was made to a person having ordinary skill in the art?

Answer "Yes" or "No" as to each claim:

'105 Patent, Claim 34 NO ("yes" = obvious; "no" = not obvious)

'918 Patent, Claim 24 NO

'918 Patent, Claim 33 NO

'120 Patent, Claim 33 NO

'020 Patent, Claim 36 NO

'916 Patent, Claim 9 NO

'916 Patent, Claim 28 NO

'916 Patent, Claim 40 NO

'863 Patent, Claim 16 NO

5. Has Hynix proven that it is highly probable that any of the following claims are invalid because the written description does not support the claim (i.e., does not satisfy the written description requirement)?

Answer "Yes" or "No" as to each claim:

'105 Patent, Claim 34 NO ("yes" = invalid because written description requirement not satisfied; "no" = not invalid because written description satisfied)

'918 Patent, Claim 24 NO

'918 Patent, Claim 33 NO

'120 Patent, Claim 33 NO

'020 Patent, Claim 32 NO

'020 Patent, Claim 36 NO

'918 Patent, Claim 9 NO

'918 Patent, Claim 28 NO

'918 Patent, Claim 40 NO

'863 Patent, Claim 16 NO

D. Findings on Rambus's Claim for Damages for Infringement [If Applicable]

6. If you have found a claim infringed and have not found that claim invalid, or you have found that either Claim 33 of the '120 patent or Claim 16 of the '863 patent is not invalid, then you are to find the damages which Rambus has proven that it more likely than not suffered as a result of Hynix's infringement. If you have not found a claim infringed and you have found that both Claim 33 of the '120 patent and Claim 16 of the '863 patent are invalid, then you have no further questions to answer, and you should proceed to Section E.

[If applicable] What damages has Rambus proven it more likely than not suffered as a result of infringement by Hynix's SDRAM product?

\$ 30,538,165

[If applicable] What damages has Rambus proven it more likely than not suffered as a result of infringement by Hynix's DDR SDRAM product?

\$ 276,429,107

E. Checking and Signing of Verdict Form

You have now reached the end of the verdict form and should review it to ensure it accurately reflects your unanimous determinations. The Presiding Juror should then sign and date the verdict form in the spaces below and notify the Security Guard that you have reached a verdict. The Presiding Juror should retain possession of the verdict form and bring it when the jury is brought back into the courtroom.

DATED: 4/24, 2008

By: 

Presiding Juror

Exhibit C

Rambus's Disclosure of Twenty-Five Asserted Claims, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal. 2000)(No. 00-20905).

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24
25 Attorneys for Plaintiff
26 RAMBUS INC.
27
28

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

RAMBUS INC.,

Plaintiff,

v.

HYNIX SEMICONDUCTOR INC., et al.,

Defendants.

No. C 05-00334 RMW

**RAMBUS'S DISCLOSURE OF
TWENTY-FIVE ASSERTED
CLAIMS**

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RAMBUS INC.,

Plaintiff,

v.
SAMSUNG ELECTRONICS CO., LTD., et al.,

Defendants.

No. C 05-02298 RMW

RAMBUS INC.,

Plaintiff,

v.
MICRON TECHNOLOGY, INC., et al.,

Defendants.

No. C 06-00244 RMW

Pursuant to the Court's order at the May 24, 2007 Case Management Conference, and without prejudice to subsequent assertion of non-asserted claims, Rambus hereby reduces the number of asserted claims in the three above-captioned cases to a total of twenty-five (25) as follows:

A. Patents Asserted Against All Defendants in Case No. C 05-00334 and Against Micron in Case No. C 06-00244

<u>Patent</u>	<u>Claims</u>
6,182,184	14
6,260,097	None
6,266,285	1, 16
6,314,051	27, 32, 43
6,493,789	13
6,496,897	2, 16
6,546,446	2, 3, 4
6,564,281	None
6,584,037	1, 9, 34
6,697,295	45
6,701,446	None
6,715,020	1, 2, 14
6,751,696	4
6,807,598	None

B. Additional Patents Asserted Against Nanya in Case No. C 05-00334 and Against Samsung in Case No. C 05-02298

<u>Patent</u>	<u>Claims</u>
6,324,120	33
6,378,020	36

1 6,426,916 28

2 6,452,863 16

3

4 C. Additional Patents Asserted Against Samsung in Case No. C 05-02298

5 Patent Claims

6 5,915,105 None

7 6,038,195 1

8 6,067,592 None

9 6,101,152 None

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11 DATED: May 31, 2007

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MUNGER, TOLLES & OLSON LLP
McKOOL SMITH PC

By: Peter A. Detre
Peter A. Detre

Attorneys for Plaintiff
RAMBUS INC.

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA, CITY AND COUNTY OF SAN FRANCISCO:

3 I, the undersigned, declare that I am over the age of 18 and not a party to the
4 within cause. I am employed by Munger, Tolles & Olson LLP in the County of San Francisco,
5 State of California. My business address is 560 Mission Street, Twenty-Seventh Floor, San
6 Francisco, California 94105-2907.

7 On May 31, 2007, I served upon the interested party(ies) in this action the
8 foregoing document(s) described as:

9 **RAMBUS'S DISCLOSURE OF TWENTY-FIVE ASSERTED**
10 **CLAIMS**

11 ☒ By placing ☐ the original(s) ☒ a true and correct copy(ies) thereof, as set out below, in an
12 addressed, sealed envelope(s) clearly labeled to identify the person(s) being served at the
13 address(es) set forth on the attached service list.

14 ☒ **BY FEDERAL EXPRESS PRIORITY OVERNIGHT DELIVERY (AS INDICATED**
15 **ON ATTACHED SERVICE LIST)** I delivered the sealed Federal Express envelope(s) to
16 an employee authorized by Federal Express to receive documents, with delivery fees paid
17 or provided for.

18 ☒ **BY ELECTRONIC MAIL (AS INDICATED ON ATTACHED SERVICE LIST)** I
19 caused such documents to be sent by electronic mail for instantaneous transmittal via
20 telephone line.

21 I declare that I am employed in the office of a member of the bar of this court at
22 whose direction the service was made.

23 Executed on May 31, 2007, at San Francisco, California.

24 
25 _____
26 Steven Uhlig

SERVICE LIST
Rambus v. Hynix
Case No. 05-00334

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SERVICE LIST
Rambus v. Hynix
Case No. 05-00334 (Continued)

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SERVICE LIST
Rambus v. Hynix
Case No. 05-00334 (Continued)

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SERVICE LIST
Rambus v. Samsung
Case No. C05-02298 RMW

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SERVICE LIST
Rambus v. Micron
Case No. 06-00244

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Exhibit D

Joint Status Conference Statement, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal.) (No. 00-20905, 05-00334, 05-02298, 06-00244).

1 [Complete Attorney List on Signature Page]

2 UNITED STATES DISTRICT COURT
3 NORTHERN DISTRICT OF CALIFORNIA
4 SAN JOSE DIVISION
5

6 HYNIX SEMICONDUCTOR INC.; HYNIX
7 SEMICONDUCTOR AMERICA, INC.;
8 HYNIX SEMICONDUCTOR U.K. LTD.; and
9 HYNIX SEMICONDUCTOR
10 DEUTSCHLAND GmbH,

11 Plaintiffs,

12 vs.

13 RAMBUS INC.,

14 Defendant.

15 RAMBUS INC.,

16 Plaintiff,

17 v.

18 HYNIX SEMICONDUCTOR INC., HYNIX
19 SEMICONDUCTOR AMERICA INC.,
20 HYNIX SEMICONDUCTOR
21 MANUFACTURING AMERICA INC.,

22 SAMSUNG ELECTRONICS CO., LTD.,
23 SAMSUNG ELECTRONICS AMERICA,
24 INC., SAMSUNG SEMICONDUCTOR,
25 INC., SAMSUNG AUSTIN
26 SEMICONDUCTOR, L.P.,

27 NANYA TECHNOLOGY CORPORATION,
28 NANYA TECHNOLOGY CORPORATION
U.S.A.,

Defendants.

CASE NO. C 00-20905 RMW

**JOINT STATUS CONFERENCE
STATEMENT**

Date: May 24, 2007

Time: 2:00 p.m.

Judge: Hon Ronald M. Whyte

CASE NO. C 05-00334 RMW

1 RAMBUS INC.,

2 Plaintiff,

3 v.

4 SAMSUNG ELECTRONICS CO., LTD.,
5 SAMSUNG ELECTRONICS AMERICA,
6 INC., SAMSUNG SEMICONDUCTOR,
INC., SAMSUNG AUSTIN
SEMICONDUCTOR, L.P.,

7 Defendants.

CASE NO. C 05-02298 RMW

8 RAMBUS INC.,

9 Plaintiff,

10 vs.

11 MICRON TECHNOLOGY, INC., and
12 MICRON SEMICONDUCTOR PRODUCTS,
INC.,

13 Defendants.

CASE NO. C 06-00244 RMW

14
15 Pursuant to the Court's Joint Case Management Order, dated April 24, 2007
16 ("CMO"), the parties hereby submit the following statement in advance of the Joint Status
17 Conference. Except as indicated by context, all statements herein are agreed upon and stipulated
18 to by all parties.
19

20 I. Identification of Claims (CMO ¶ 8b)

21 A. Rambus

22 Pursuant to Paragraph 8(b) of the CMO, and without prejudice to subsequent
23 assertion of other claims, Rambus proposes that, no later than June 29, 2007 – that is, prior to
24 filing of the parties' Joint Claim Construction and Prehearing Statement – Rambus will reduce the
25 number of its asserted claims across all the '05-'06 cases to 45: 35 from the 14 patents asserted
26
27
28

1 against Micron in the '244 case and against all the defendants in the '334 case,¹ five from the four
 2 patents asserted against Nanya only in the '334 case and against Samsung in the '2298 case,² and
 3 five from the remaining four patents asserted against Samsung only in the '2298 case.³ Rambus's
 4 proposed timing for reducing the number of its asserted claims will mean that the Court will have
 5 to deal with only the reduced set of claims on claim construction, while Rambus will have the
 6 benefit of the manufacturers' previously-served claim constructions in deciding which claims to
 7 assert.

8 A comparison with the procedure imposed by the Court in *Hynix I* may be
 9 instructive. In that case, the Court originally ordered Rambus to assert no more than 35 claims
 10 from the 11 patents originally at issue. Later, when Rambus amended its counterclaims to add
 11 four recently-issued patents, the Court allowed Rambus to assert up to an additional 30 claims
 12 from those patents. Thus, the Court allowed for up to a total of 65 asserted claims through claim
 13 construction proceedings. It was only after the Court's Claim Construction Order had issued that
 14 the Court ordered Rambus to elect no more than 10 claims to be tried and, even then, the Court
 15 directed that Rambus could wait until seven days after the Court had ruled on dispositive motions
 16 before electing its claims. Here Rambus proposes to reduce the number of asserted claims to 45
 17 from the 22 patents in the '05-'06 cases, significantly less than the 65 claims from 15 patents that
 18 the Court allowed at the analogous stage of *Hynix I*.

19 B. Manufacturers

20 The Parties have exchanged correspondence relating to the identification of claims
 21 to be included in the 05-06 Patent Trial(s). Rambus has proposed that it would reduce the number
 22 of claims to 45 (from the current 75 asserted claims), with 35 of these selected from the 14 patents
 23 asserted against all of the Manufacturers; Rambus has provided no indication as to the identity of
 24

25 ¹ U.S. Patent Nos. 6,182,184, 6,260,097, 6,266,285, 6,314,051, 6,493,789, 6,496,897, 6,546,446,
 26 6,564,281, 6,584,037, 6,697,295, 6,701,446, 6,715,020, 6,751,696, and 6,807,598.

26 ² U.S. Patent Nos. 6,324,120, 6,378,020, 6,426,916, and 6,452,863.

27 ³ U.S. Patent Nos. 5,915,105, 6,038,195, 6,067,592 and 6,101,152.

1 these claims. Further, Rambus has proposed that this reduction not be made until June 29, 2007,
2 after the June 22, 2007 date for the exchange of Preliminary Claim Constructions and
3 Identification of Extrinsic Evidence.

4 This proposal is not acceptable, for several reasons. First, Rambus's proposal is
5 contrary to the CMO. Paragraph 8(b) of the CMO required Rambus to identify the claims that it
6 wished to assert at trial before the May 24 status conference, so that the parties could meet and
7 confer over "the claims that will be at issue." Second, regardless of the ordering or division of the
8 05-06 Patent Trial(s), trials of 45 claims would be unmanageable. The Manufacturers have
9 proposed that Rambus should identify no more than 10 claims from the 14 patents asserted against
10 all of the Manufacturers, and proportionately smaller numbers of claims from the patents asserted
11 only against Samsung or Nanya, respectively (no more than one per patent). Third, Rambus's
12 proposed date by which the reduced number of claims will be identified does little to streamline
13 pretrial preparations, but would require the parties to provide numerous potentially needless
14 proposed constructions, meet and confer over those proposed constructions, and collect and
15 exchange potentially voluminous extrinsic evidence before any reduction in the number of claims
16 at issue. At the April 4, 2007 case management conference, the Court agreed that Rambus should
17 be able to see the Manufacturers' invalidity contentions before reducing its claims. Now that
18 Rambus has received those contentions (and has had them since last May 12), there is no basis for
19 further delay.

20
21 **II. Hynix I Orders and Pending Motions**

22 **A. Rambus**

23 Pursuant to Paragraph 8(c) of the CMO, Rambus identifies the following orders:

- 24 **1. July 6, 2006 Order Granting Rambus's Motion for Summary**
25 **Adjudication of Hynix's Antitrust and Unfair Competition Claims Based on**
26 **"RDRAM Dominance" and "DDR Suppression."**

27
28

1 In this Order, the Court held as a matter of law that Rambus could not be held
2 liable for monopolization or unfair competition because it allegedly sought dominance for the
3 RDRAM technology and suppressed the DDR technology. Order, pp. 2, 4. The Court further held
4 that its order was not "intended to preclude evidence concerning Rambus's attempts to gain
5 market power in the alleged DRAM technology market." *Id.* at 4.

6 After reviewing the relevant counterclaims, Rambus does not understand that the
7 other defendants intend to argue that any antitrust or unfair competition liability should be based
8 on the alleged conduct that was the subject of the 7/06/06 Order. If the defendants do raise such
9 arguments, Rambus will address them at that time and will likely seek summary adjudication on
10 the same grounds as those described in the 7/06/06 Order.

11 **2. 7/07/06 Order Granting Rambus's Motion for Summary Adjudication**
12 **of Noerr-Pennington Immunity and California Civil Code Section 47(b)**
13 **Privilege.**

14 In this Order, the Court held that "Rambus's instigation and prosecution of its
15 infringement claims constitute protected petitioning activities under the *Noerr-Pennington*
16 doctrine and, as to state claims, are absolutely privileged under California Civil Code
17 Section 47(b)." Order, p. 4. The Order also stated that it was not intended to resolve evidentiary
18 and damages issues with respect to the lawsuits and related activities. *Id.* at 4-5.

19 It is unclear whether the other Manufacturers intend to argue that Rambus's
20 instigation and prosecution of patent infringement claims against them or others are *not* protected
21 activities under *Noerr-Pennington* or Civil Code section 47(b). If any such arguments are made,
22 Rambus will likely bring a motion for summary adjudication to bar the imposition of liability
23 based on such activities.

24 **3. 7/17/06 Order Granting in Part Rambus's Motion for Summary**
25 **Judgment of Breach of Contract Claims and Granting Summary Adjudication**
26 **of Certain Issues Related to Duty.**
27

1 In this Order, the Court entered summary judgment with respect to Hynix's Fifth
2 Claim for Relief (Breach of Contract), Sixth Claim for Relief (Breach of Contract by Third Party
3 Beneficiary), Seventh Claim for Relief (Breach of Contract – Promissory Estoppel), and Ninth
4 Claim for Relief (Constructive Fraud). Order, pp. 8-10, 15, 21.

5 It appears from the list of claims to be tried in January 2008 that was attached to the
6 April 24, 2007 Case Management Order that no Manufacturer has asserted a claim for
7 “constructive fraud” and that no Manufacturer other than Micron has asserted a claim for breach
8 of contract. Rambus intends to bring a motion for summary judgment or summary adjudication
9 with respect to Micron’s breach of contract claim and will be prepared at the May 24, 2007 CMC
10 to discuss a schedule for that motion.

11 The Court’s 7/17/06 Order also granted summary adjudication as to certain issues
12 relating to Rambus’s alleged duties as a JEDEC member, as set out below:

13 “The court also SUMMARILY ADJUDICATES that: (1) the
14 JEDEC duty to disclose did not extend to [a member’s] beliefs,
15 hopes, or intentions to file or amend patent applications; (2) the
16 JEDEC duty to disclose did not continue after a member left
17 JEDEC, except for specific disclosures that arose before the member
18 left; and (3) breach of any JEDEC disclosure duty, without more,
19 does not give rise to antitrust liability.”

20 Rambus believes that these rulings were correct and that they should govern the
21 arguments presented at the January 2008 trial by all of the Manufacturers. It seems appropriate,
22 however, to defer further motion practice with respect to these issues until fact discovery has
23 concluded (or is at least closer to conclusion). In addition, Rambus agrees with the
24 Manufacturers’ position that it is premature to address whether any of the Court’s previous rulings
25 on motions *in limine* are relevant to or will govern the evidence presented by the Manufacturers
26 other than Hynix.

27 B. Manufacturers

28 Pursuant to the CMO ¶ 8(c), the Manufacturers hereby identify the following
submitted but not yet ruled upon motions on which one or more Manufacturer intends to submit
argument.

1 The Manufacturers plan to submit additional argument regarding "Brief re FTC
2 Findings that Merit Prima Facie Evidentiary Effect" filed by Hynix on October 16, 2006. The
3 Manufacturers are prepared to propose a briefing schedule at the status conference.

4 The Manufacturers also reserve the right to submit additional argument regarding
5 "Hynix's Motion for Summary Judgment on its 17200 Claim and Its Equitable Estoppel
6 Defense" (Filed by Hynix on Oct. 16, 2006). The Manufacturers are prepared to propose a
7 briefing schedule at the status conference.

8 With respect to the motions in limine already filed by Hynix and Rambus,
9 Micron, Samsung and Nanya believe it is somewhat premature to definitively identify those
10 motions in limine on which they would like to submit further argument. Given that the parties
11 have not yet disclosed their experts and Micron, Samsung and Hynix have not yet
12 commenced significant written discovery, Micron, Samsung and Nanya propose that the process
13 of identifying pending motions in limine on which they intend to submit argument should be
14 deferred until a later time. Moreover, depending on the outcome of discovery and the positions
15 Rambus asserts as to Micron, Samsung and Nanya, the Manufacturers believe it may be most
16 efficient for entirely new briefing to be submitted on motions in limine so all of the Manufacturers
17 can present their positions to the Court in a unified motion, and the Court and the parties can be
18 sure that the motions accurately and sufficiently address the matters that are relevant to the joint
19 trial set for January 2008. Micron, Samsung, and Nanya question whether the Hynix-specific
20 briefing that took place in 2006 is appropriately tailored to the case as it will now be tried.

21 To the extent the Court wishes to address the briefing on motions in limine at this
22 juncture in the case, the Manufacturers reserve the right to submit argument on the following
23 motions in limine, depending upon the course of discovery and other developments in the case.
24 The Manufacturers will be in a better position to identify the motions in limine on which they
25 intend to submit argument after further percipient and expert discovery is completed and reserve
26 their right to amend or supplement this list. The Manufacturers propose a briefing schedule, set
27 pursuant to the Local Rules, based around the date of the pretrial conference.

1 1. Motion in Limine ("MIL") to Exclude Evidence of or Reference to DRAM Price
2 Fixing (filed by Hynix on July 20, 2006);

3 2. MIL to Exclude Evidence of Changes to JEDEC's Patent Policies After January
4 2000 (filed by Hynix on July 20, 2006);

5 3. MIL to Exclude Evidence of or Reference to Arguments made, Positions Taken
6 or the Outcome of the Patent Trial (filed by Hynix on July 20, 2006);

7 4. MIL to Exclude Evidence of or Reference to the Federal Circuit's Opinion in the
8 *Infineon* Case and the FTC ALJ's Initial Decision (filed by Hynix on July 20,
9 2006);

10 5. MIL to Exclude Evidence or Argument of Allegations of Price Manipulation or
11 Boycott (filed by Hynix on July 20, 2006);

12 6. MIL to Exclude Evidence or Argument of Allegations of a Conspiracy Not to
13 Take a License (filed by Hynix on July 20, 2006);

14 7. MIL Motion in Limine to Exclude Testimony of David J. Teece that Rambus
15 Would Have Given a RAND Letter (filed by Hynix on July 20, 2006);

16 8. MIL to Preclude Rambus from presenting Evidence or Argument Explaining the
17 Delay in Prosecuting Rambus's Patent Claims (filed by Hynix on August 3, 2006).

18 9. Motion *in Limine* No. 1 to Preclude Use of Derogatory Characterizations of
19 Patents and Patentholders (filed by Rambus July 20, 2006);

20 10. Motion *in Limine* No 2. to Preclude Roy Weinstein from Referring to or
21 Relying Upon Errata Sheet (filed by Rambus July 20, 2006);

22 11. Motion *in Limine* No. 3 to Exclude Argument or Evidence that Disclosure of
23 Rambus's Pending and Planned Patent Applications Would Have Resulted in a
24 Boycott (filed by Rambus July 20, 2006);

25 12. Motion *in Limine* No. 5 to Exclude Evidence and Argument Regarding a Non-
26 JEDEC Duty to Disclose from Trial of Antitrust and Fraud Claims (filed by
27 Rambus July 20, 2006);

28 13. Motion *in Limine* No. 6 to Exclude Testimony of David L. Taylor (filed by
Rambus July 20, 2006);

14. Motion *in Limine* No. 8 to Exclude Certain Testimony of Roy Weinstein (filed
by Rambus August 3, 2006);

15. Motion *in Limine* No. 9 to Preclude Hynix from Relitigating Issues Relating to
Validity that were Decided by the Jury in Phase II and to Exclude Portions of the
Testimony of Graham Allan (filed by Rambus August 3, 2006);

16. Motion *in Limine* No. 10 to Preclude Hynix from Presenting Evidence or
Argument Regarding Rambus's Alleged Use of JEDEC Information to Draft
Claims to Cover Actual or Potential Products in the Marketplace (filed by Rambus
August 3, 2006);

1 17. Motion *in Limine* No. 11 to Preclude Hynix from Presenting Evidence or
2 Argument of Rambus's Patent Prosecution Plans or Efforts Prior to August 31,
1994 (filed by Rambus August 3, 2006);

3 18. Motion *in Limine* No. 12 to Exclude Testimony of Mark E. Nusbaum (filed by
4 Rambus August 3, 2006);

5 19. Motion *in Limine* No. 13 to Exclude Opinion Testimony of Christopher
6 McArdle Regarding "Lock-in" Costs (filed by Rambus August 3, 2006);

7 20. Motion *in Limine* No. 14 to Exclude Opinion Testimony from Christopher
8 McArdle Relating to the Costs of Graham Allan's Proposed Alternative to Rambus
Technologies (filed by Rambus August 3, 2006);

9 21. Motion *in Limine* No. 15 to Exclude References To and Questioning About
10 Allegedly Improper Issuance of Stock Options (filed by Rambus August 3, 2006);
and

11 22. Motion *in Limine* No. 17 to Exclude Evidence or Argument Regarding Prior
12 District Court Comments or Findings Regarding Potential Trial Witness (filed by
Rambus August 3, 2006).

13 In response to Rambus's statement regarding the Court's 7/17/07 Order, to the
14 extent Rambus seeks to use the Case Management Conference statement to obtain a substantive
15 ruling on all or part of any of the Manufacturers' claims, the Manufacturers oppose this attempt.
16 Federal Rule of Civil Procedure 56 requires at least 10 days notice prior to a hearing on a
17 summary judgment motion and entitles each party to present arguments regarding the claims or
18 defenses subject to such a motion.

19 III. Order and Scheduling of Remaining Issues (CMO ¶ 8d)

20 A. Rambus

21 Following the April 4, 2007 Case Management Conference, this Court entered a
22 pretrial schedule up to claim construction for the 05-06 Patent Trial(s). See Attachment C to
23 CMO. Pursuant to Paragraph 8(d) of the CMO, the parties have conferred about a tentative
24 schedule for the Patent Trial(s) following claim construction. Rambus proposes the following
25 schedule:
26
27
28

Event	Date
Close of fact discovery	June 27, 2008 (or 50 days after the Court enters its Claim Construction Order) ⁴
Initial expert reports (party with burden of proof)	July 11, 2008 (or 14 days after the close of fact discovery)
Rebuttal expert reports	August 11, 2008 (or 30 days after initial expert reports)
Close of expert discovery	September 12, 2008 (or 30 days after rebuttal expert reports)
Dispositive motions filed	October 3, 2008 (or 21 days after close of expert discovery)
Pretrial conference	December 12, 2008 (subject to the Court's availability)
Trial	January 19, 2009 (subject to the Court's availability)

Further, Rambus contends that there should be one coordinated patent trial for all four Manufacturers on the claims and defenses delineated in Attachment D(1) of the CMO. The Court has already ordered that Case Nos. 05-00334, 05-02298, and 06-00244 shall "proceed with pretrial preparation (i.e., discovery, claim construction, dispositive motions) on all claims and defenses" and set a joint schedule for these cases through claim construction. *See* CMO Paragraph 1(b). It makes sense given the overlapping issues to continue that coordination through to the ultimate trial.

⁴ Where alternative dates are proposed, the later date will govern.

1 Finally, Rambus will be prepared on May 24, 2007 to reserve potential dates for
2 trials on the parties' spoliation allegations and other Samsung-unique allegations delineated in
3 Attachments D(2) and D(3) of the CMO. Rambus notes that it may be unnecessary to reserve a
4 potential trial date for Samsung's counterclaims involving Neil Steinberg because those may be
5 dismissed pursuant to Rambus's pending motion, or alternatively, Samsung may elect not to
6 proceed with those claims in this Court. To the extent Samsung's Steinberg counterclaims survive
7 Rambus's motion to dismiss and Samsung elects to proceed with those counterclaims in this
8 Court, Rambus proposes that any proceedings on the parties' spoliation allegations precede any
9 proceedings on the Samsung-unique claims and defenses.

10 B. Manufacturers

11 The Manufacturers do not agree that all of the patent issues presented in these cases
12 should be determined in a single, consolidated trial. Instead, the determination of the division and
13 number of trials on the patent issues should be deferred. Further, putting all claims and products
14 at issue in Case Nos. 05-00334 and 05-02298 into one trial would make such a single trial even
15 more complex against Samsung, and when combined with claims against the other Manufacturers
16 related only to DDR2, could create a misapprehension that Samsung is the primary defendant and
17 uniquely prejudice Samsung even more than the other Manufacturers.

18 With the exception of Rambus's proposed dates for the Pretrial conference and a
19 Trial on any portion of the patent claims tried jointly against all Manufacturers, Rambus's
20 proposed schedule is acceptable to the Manufacturers. Rambus's proposed schedule does
21 recognize that any schedule would have to reflect the timing of the Court's Markman Order.
22 However, all of the proposed dates, including the dates of the Pretrial conference and the (first)
23 Trial should be adjusted accordingly. Under Rambus's proposal, if the Court's Markman Order
24 (following a hearing that has not been set but seems likely to occur in February or March, 2008)
25 were not to issue until July 1, 2008, the deadline for dispositive motions would occur after the
26 Pretrial conference. That is, Rambus's proposed schedule appears to be acceptable for a trial on
27 any portion of the patent claims tried jointly against all Manufacturers if the Court's Markman

1 Order is entered on or before May 11, 2008, but all dates, including the pretrial conference and
2 trial dates, should be delayed by the amount of time after May 11, 2008 that this Order does issue.
3 Remaining trials can be scheduled after the Court's Markman Order is entered and there is more
4 visibility into the issues.

5 Finally, the Manufacturers will be prepared on May 24, 2007 to discuss potential
6 dates for trials on the allegations delineated in Attachments D(2) and D(3) of the CMO.

7
8 IV. Hynix's Proposal for Further Briefing on Hynix's Post-Trial Motions in Light of KSR

9 A. Hynix

10 As the Court is undoubtedly aware, on April 30, 2007, the U.S. Supreme Court
11 issued its decision in *KSR Int'l Co. v. Teleflex Inc.*, Docket No. 04-1350 (opinion available at
12 <http://www.supremecourtus.gov/opinions/06pdf/04-1350.pdf>), reversing the decision of the U.S.
13 Court of Appeals for the Federal Circuit and rejecting the Federal Circuit's "teaching-suggestion-
14 motivation" test for evaluating obviousness. At least one subsequent Federal Circuit decision (the
15 only one to speak to the issue) accordingly has utilized a significantly higher standard of
16 patentability as well as a different methodology in evaluating obviousness. *See Leapfrog*
17 *Enterprises, Inc. v. Fisher-Price, Inc., et al.*, Docket No. 06-0402, Federal Circuit, May 9, 2007
18 (opinion available at <http://www.fedcir.gov/opinions/06-1402.pdf>).

19 Hynix believes that these recent, controlling authorities could significantly affect
20 the consideration and outcome of Hynix's pending Renewed Motion for a New Trial on Invalidity
21 Due To Prior Art (Case No. 00-20905, Docket 2171), heard and submitted June 27, 2006. Hynix
22 seeks leave to submit an additional brief on these issues within 30 days, with further briefing and a
23 hearing (if desired by the Court) according to the schedule provided in the Court's Local Rules.

24 B. Rambus

25 Rambus disagrees with Hynix's characterization of the *KSR* and *Leapfrog*
26 decisions. For example, as the Supreme Court made very clear, it was not "rejecting the Federal
27 Circuit's 'teaching-suggestion-motivation' test," as Hynix would have it, but rather, while
28

1 characterizing that test as a "helpful insight," rejecting an overly rigid application of it. The
2 *Hynix* patent trial jury was instructed correctly on the law of obviousness and no further briefing
3 on *Hynix*'s post-trial motions is necessary.
4

5 V. Rambus's Proposal re Representative Parts

6 A. Rambus

7 In order to streamline preparation for the patent trial and trial, Rambus proposes
8 that the parties agree on a DDR2 part from a single manufacturer that would be representative of
9 all the accused DDR2 parts, Graphics DDR2 parts, and GDDR3 parts from all the manufacturers.

10 B. Manufacturers

11 Rambus has also proposed that the parties agree on a single DDR2 SDRAM part
12 from a single manufacturer that would be representative of all the accused DDR2 parts, Graphics
13 DDR2 SDRAM parts, and GDDR3 SDRAM parts from all the Manufacturers. The Manufacturers
14 are generally in support of the idea of designating representative parts, and some have approached
15 Rambus with proposals to that effect. However, the Manufacturers are not yet in a position to
16 respond substantively to this recent proposal from Rambus until they have evaluated possible
17 differences between different classes of their own products that may be relevant to Rambus's
18 asserted patent claims. These evaluations would be simplified (and shortened) if Rambus were to
19 identify specifically which claims it wishes to try, as required by paragraph 8(b) of the CMO.

20 Samsung believes that after the claims are reduced it will be possible for Samsung
21 to stipulate that as to its own products, for each group of related Samsung products, there is one
22 representative Samsung product, which for the purposes of the claims asserted Samsung is willing
23 to agree has the same relevant structure and function as the other accused Samsung products in
24 that group. Samsung has, in fact, been negotiating representative Samsung products for groups of
25 Samsung products with Rambus for several weeks and in doing so Samsung has encountered
26 significant difficulty due to the number of patents and claims, among other issues. Samsung is
27 willing to stipulate to representative Samsung products for groups of Samsung products
28

1 sufficiently similar as to the accused features such that it would not require Rambus to submit
2 additional evidence of the architecture and function of the other products in the group for which a
3 representative product was designated after Rambus narrows its claims. Samsung's work to date
4 on this issue has shown that Rambus's proposal for a single product by a single manufacturer to
5 represent all products of any kind on all claims is not practical. Further, Samsung also believes
6 that it would be improper to force Samsung -- over its objection -- to go to trial on any claim
7 where Rambus is not required to follow the Federal Rules of Civil Procedure on Rambus's burden
8 of proof.

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1 ON BEHALF OF MANUFACTURERS:

2 DATED: May 21, 2007

Respectfully submitted,

3
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Exhibit E

Transcript of Proceedings Before the Honorable Ronald M. Whyte U.S. District Judge at
29-30, *Hynix Semiconductor Inc. v. Rambus Inc.*, (N.D. Cal.) (No. 00-20905, 05-00334,
05-02298, 06-00244).

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

HYNIX SEMICONDUCTOR INC.,)	C-00-20905 RMW
HYNIX SEMICONDUCTOR)	
AMERICA INC., HYNIX)	SAN JOSE, CALIFORNIA
SEMICONDUCTOR U.K. LTD.,)	
AND HYNIX SEMICONDUCTOR)	MAY 24, 2007
DEUTSCHLAND GMBH,)	
)	PAGES 1-120
PLAINTIFFS,)	
)	ALSO CASE NOS.
VS.)	C-05-00334
)	C-05-02298
RAMBUS, INC.,)	C-06-00244
)	
DEFENDANTS.)	
)	
AND RELATED ACTIONS.)	
)	

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE RONALD M. WHYTE
UNITED STATES DISTRICT JUDGE

A P P E A R A N C E S:

FOR HYNIX: TOWNSEND & TOWNSEND & CREW
BY: THEODORE G. BROWN, III AND
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APPEARANCES CONTINUED ON NEXT PAGE

OFFICIAL COURT REPORTER: LEE-ANNE SHORTRIDGE, CSR, CRR
CERTIFICATE NUMBER 9595

<p style="text-align: right;">Page 2</p> <p>1 APPEARANCES (CONTINUED) 2 FOR HYNIX: THELEN, REID, BROWN, 3 RAYSMAN & STEINER 4 BY: KENNETH L. NISSLY AND 5 SUSAN VAN KEULEN 6 225 WEST SANTA CLARA STREET 7 SUITE 1200 8 SAN JOSE, CALIFORNIA 95113 9 10 FOR RAMBUS: MUNGER, TOLLES & OLSON 11 BY: GREGORY P. STONE AND 12 RONALD K. MEYER 13 355 SOUTH GRAND AVE., 35TH FLOOR 14 LOS ANGELES, CALIFORNIA 90071 15 16 BY: PETER A. DETRE AND 17 CAROLYN HOECKER LUEDTKE 18 560 MISSION ST., 27TH FLOOR 19 SAN FRANCISCO, CALIFORNIA 94105 20 21 FOR SAMSUNG: WEIL, GOTSHAL & MANGES 22 BY: DAVID M. HEALEY 23 700 LOUISIANA, SUITE 1600 24 HOUSTON, TEXAS 77002 25 BY: MATTHEW D. POWERS 26 201 REDWOOD SHORES PARKWAY 27 REDWOOD SHORES, CALIFORNIA 94065 28 29 FOR MICRON: WEIL, GOTSHAL & MANGES 30 BY: JARED BOBROW 31 201 REDWOOD SHORES PARKWAY 32 REDWOOD SHORES, CALIFORNIA 94065 33 QUINN, EMANUEL 34 BY: HAROLD A. BARZA AND 35 ROBERT J. BECHER 36 865 SOUTH FIGUEROA STREET 37 10TH FLOOR 38 LOS ANGELES, CALIFORNIA 90017 39 40 FOR NANYA: ORRICK, HERRINGTON & SUTCLIFFE 41 BY: ROBERT E. FREITAS 42 1000 MARSH ROAD 43 MENLO PARK, CALIFORNIA 94025</p>	<p style="text-align: right;">Page 4</p> <p>1 MR. BECHER: GOOD AFTERNOON, YOUR HONOR. 2 ROB BECHER FROM QUINN, EMANUEL FOR MICRON. 3 MR. BOBROW: JARED BOBROW FOR MICRON. 4 MR. POWERS: MATT POWERS FOR SAMSUNG. 5 MR. HEALEY: AND DAVID HEALEY FOR 6 SAMSUNG. 7 THE COURT: ALL RIGHT. GOOD AFTERNOON, 8 EVERYONE. 9 WHAT -- EXCUSE ME -- I PLAN TO DO IS TO 10 FIRST TAKE UP SOME ISSUES THAT ARE SCHEDULED FOR 11 THE CASE MANAGEMENT CONFERENCE AND TO GO THROUGH 12 THAT BY GIVING YOU MY PRELIMINARY THOUGHTS ON THOSE 13 ISSUES, AND THEN BRIEFLY HEARING FROM YOU. 14 THEN I'LL TURN TO THE MOTIONS AND 15 BASICALLY DO THE SAME THING. 16 SO HOPEFULLY IT'LL BE OF SOME HELP TO YOU 17 AND WE CAN GET THROUGH THIS AFTERNOON REASONABLY 18 EFFECTIVELY. 19 THE FIRST ISSUE THAT I WANTED TO DISCUSS 20 IS THE ISSUE THAT'S RAISED IN THE CASE MANAGEMENT 21 CONFERENCE WITH RESPECT TO THE PATENT TRIAL AND THE 22 ISSUE OF IDENTIFYING OF CLAIMS, OR RATHER, 23 IDENTIFYING -- YEAH, IDENTIFYING CLAIMS THAT ARE AT 24 ISSUE. 25 FRANKLY, I WAS EXTREMELY DISAPPOINTED IN</p>
<p style="text-align: right;">Page 3</p> <p>1 SAN JOSE, CALIFORNIA MAY 24, 2007 2 PROCEEDINGS 3 (WHEREUPON, COURT CONVENED AND THE 4 FOLLOWING PROCEEDINGS WERE HELD:) 5 THE CLERK: CALLING CASE C-00-20905, 6 HYNIX VERSUS RAMBUS, ON FOR STATUS CONFERENCE. 7 RAMBUS CASE NUMBERS ARE C-05-00334, 8 C-05-02298, AND C-06-00244. 9 COUNSEL, STATE YOUR NAME FOR THE RECORD; 10 PLEASE. 11 MR. STONE: GOOD AFTERNOON, YOUR HONOR. 12 GREGORY STONE ON BEHALF OF RAMBUS. 13 MR. NISSLY: GOOD AFTERNOON, YOUR HONOR. 14 KEN NISSLY FOR HYNIX, ALONG WITH MY PARTNER, SUSAN 15 VAN KEULEN. 16 MR. FREITAS: GOOD AFTERNOON, YOUR HONOR. 17 BOB FREITAS FROM ORRICK, HERRINGTON & SUTCLIFFE FOR 18 NANYA TECHNOLOGY CORP. AND NANYA TECHNOLOGY CORP. 19 USA. 20 MR. MEYER: GOOD AFTERNOON, YOUR HONOR. 21 RONALD MEYER OF MUNGER, TOLLES & OLSON FOR RAMBUS. 22 MR. DETRE: PETER DETRE FOR RAMBUS ALSO, 23 YOUR HONOR. 24 MS. LUEDTKE: AND CAROLYN LUEDTKE FOR 25 RAMBUS.</p>	<p style="text-align: right;">Page 5</p> <p>1 THE CASE MANAGEMENT CONFERENCE STATEMENT BECAUSE I 2 HAD CONTEMPLATED THAT THERE WOULD EITHER BE SOME 3 SORT OF AN AGREEMENT AS TO CLAIMS THAT ARE AT 4 ISSUE, OR AT LEAST SOME PROPOSALS OTHER THAN PURELY 5 NUMBERS, SUCH AS TELLING ME HOW MANY INDEPENDENT 6 CLAIMS THERE WERE; HOW MANY DEPENDENT CLAIMS THERE 7 WERE; IF RAMBUS WAS GOING TO REDUCE THE NUMBER OF 8 CLAIMS, WHICH I BASICALLY TOLD THEM THAT THEY HAD 9 TO, THAT THEY WOULD AT LEAST IDENTIFY THOSE THAT 10 THEY'D REDUCED TO; AND PERHAPS SOME THOUGHTS ON HOW 11 THE DIFFERENT PATENTS VARIED IN TECHNOLOGY TO TRY 12 AND GET SOME HANDLE ON HOW TO ALLOCATE A REASONABLE 13 WAY TO APPROACH THE CASE. 14 THAT BEING SAID, AS I UNDERSTAND IT, 15 THERE ARE 22 PATENTS THAT ARE AT ISSUE, 14 THAT ARE 16 BASICALLY AGAINST EVERYBODY, AND THEN FOUR 17 ADDITIONAL ONES THAT AFFECT, I THINK IT'S NANYA AND 18 SAMSUNG, AND THEN FOUR ADDITIONAL ONES THAT ARE 19 ONLY, THAT ONLY DEAL WITH SAMSUNG. 20 ASSUMING THAT'S RIGHT, IT SEEMS TO ME 21 THAT THERE'S NO REASON THAT RAMBUS SHOULD NOT BE 22 EXPECTED TO SUBSTANTIALLY REDUCE THE NUMBER OF 23 CLAIMS, OR TO CHOOSE. AS THEY CORRECTLY NOTED, I 24 DON'T THINK I HAVE THE POWER TO SAY THAT CLAIMS 25 THAT ARE NOT INCLUDED CAN NEVER BE TRIED.</p>

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1 BUT I CERTAINLY HAVE THE POWER TO TRY AND
 2 FIGURE OUT WHAT THE MAXIMUM NUMBER OF CLAIMS THAT
 3 CAN BE REASONABLY TRIED AT ONE TIME ARE
 4 IT SEEMS TO ME, AND I'VE GOT SOME
 5 RESERVATIONS EVEN ABOUT THIS, THAT A MAXIMUM NUMBER
 6 SHOULD BE PICKED BY RAMBUS WITHIN A VERY SHORT TIME
 7 FOLLOWING THIS CONFERENCE, A MAXIMUM OF 25, WITH AT
 8 LEAST ONE FROM EACH OF THE PATENTS AT ISSUE, AND
 9 THEN THREE ADDITIONAL CLAIMS OF THEIR CHOICE.
 10 IT SEEMS TO ME THEN, FOLLOWING - EITHER
 11 BEFORE OR AFTER THE CLAIM CONSTRUCTION HEARING,
 12 THERE SHOULD BE A FURTHER REDUCTION.
 13 AND I WOULD LIKE TO SEE THE CLAIMS
 14 CONSTRUCTION, JOINT CLAIM CONSTRUCTION STATEMENT
 15 PRIORITIZED, THE IMPORTANCE OF THE CONSTRUCTIONS
 16 EITHER AS AGREED BY THE PARTIES, OR IF YOU CANNOT
 17 AGREE, THEIR RESPECTIVE ORDERINGS OF THE PRIORITY
 18 OF THE, OF THE IMPORTANCE OF THE CONSTRUCTIONS.
 19 SO THAT'S WHERE I AM AT THIS POINT, AND
 20 I'D BE HAPPY TO HEAR BRIEF COMMENT.
 21 MR. STONE: MAY I, YOUR HONOR?
 22 THE COURT: SURE.
 23 MR. STONE: THANK YOU.
 24 THE - IT MIGHT BE HELPFUL IF I HAND THE
 25 COURT AND COUNSEL JUST A COUPLE OF DEMONSTRATIVES

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1 THAT MAY BE USEFUL. I'LL HAND THESE UP (HANDING).
 2 THESE ARE SIMPLY ONES ATTEMPTING TO
 3 COMPARE WHERE WE ARE IN THIS CASE AS COMPARED TO
 4 WHERE WE WERE IN THE HYNIX I TRIAL.
 5 BUT BEFORE I TURN TO THAT - I THINK IF,
 6 IF OUR PROPOSALS ARE ONES THAT THE COURT DOESN'T
 7 LIKE, AND I TOOK THAT CLEARLY FROM YOUR COMMENTS,
 8 I THINK WHAT WE WERE TRYING TO DO WAS REPLICATE, BUT
 9 GIVE UP EVEN MORE CLAIMS MORE QUICKLY THAN WE HAD
 10 IN HYNIX I.
 11 AND SO TO THE EXTENT THAT WHAT WE DID IN
 12 THAT CASE WASN'T WHAT THE COURT WOULD LIKE TO SEE
 13 REPEATED HERE, THEN I THINK WE MISUNDERSTOOD SORT
 14 OF THE OBJECTIVE.
 15 I THINK THE -
 16 THE COURT: LET ME JUST COMMENT ON THAT
 17 BRIEFLY.
 18 ONE IS THAT I'M NOT SURE WE DID IT THE
 19 BEST WAY IN THE HYNIX CASE.
 20 NUMBER TWO, I THINK THE PARTIES KNOW A
 21 HECK OF A LOT MORE NOW ABOUT THE CLAIMS AND THE
 22 POSITIONS OF THE PARTIES WITH RESPECT TO THE CLAIMS
 23 THAN THEY DID AT THE TIME THAT WE PROCEEDED WITH
 24 THE HYNIX CASE.
 25 MR. STONE: AND I - I UNDERSTAND THAT WE

Page 8

1 DO, AND YET, WE DON'T, AND I WANT TO ADDRESS BOTH
 2 ASPECTS OF THE STATE OF OUR KNOWLEDGE.
 3 I UNDERSTAND WHAT THE COURT WANTS IS TO
 4 GET THE CLAIMS DOWN TO A SMALL ENOUGH NUMBER THAT
 5 THE CASE IS MANAGEABLE IN THE WAY IN WHICH THE CASE
 6 WILL ULTIMATELY BE TRIED.
 7 THE CONCERN THAT WE HAVE IS THAT IF WE
 8 NARROW THE NUMBER OF CLAIMS TOO SOON, WE WILL NOT
 9 END UP WITH CLAIMS THAT ARE TRIED THAT WILL BE A
 10 FAIR TEST OF THE PATENTS, AND OBVIOUSLY THE COURT'S
 11 HOPE IS THAT THE RESOLUTION OF THESE CLAIMS FROM
 12 THESE PATENTS IN THIS TRIAL WILL RESULT IN A FAIR
 13 TEST OF THE PATENTS, BOTH FOR VALIDITY AND
 14 INFRINGEMENT PURPOSES.
 15 SO THE ISSUE IS, BY NARROWING IT DOWN TO
 16 25 NOW, WILL WE ACHIEVE THAT?
 17 IT WOULD BE EASIER TO SAY THAT WE HAVE
 18 SOME GUIDANCE IN TERMS OF WHAT CLAIMS TO PICK IF WE
 19 KNEW, FOR EXAMPLE, THAT THE PRIOR CLAIM
 20 CONSTRUCTIONS WILL HOLD.
 21 BUT IT APPEARS THAT THE, THE DEFENDANTS
 22 WILL WANT TO RELITIGATE MANY OF THE CLAIM
 23 CONSTRUCTION RULINGS YOUR HONOR HAS ALREADY MADE
 24 AND WE KNOW WE WILL SEE SUMMARY JUDGMENT
 25 MOTIONS, AT LEAST, THEY'RE PROVIDED FOR IN THE

Page 9

1 SCHEDULE, WHICH WILL BE AN ATTACK ON MANY OF THE
 2 CLAIMS THAT WE DO ELECT ON VARIOUS GROUNDS,
 3 INCLUDING PROBABLY ONES ARISING FROM THE CLAIM
 4 CONSTRUCTION.
 5 SO ALL OF THAT CREATES SOME UNCERTAINTY
 6 IN OUR MIND AS TO WHICH CLAIMS ULTIMATELY WILL GIVE
 7 A FAIR TEST OF THE STRENGTH OF THE PATENTS, WHICH I
 8 THINK IS WHAT WE ALL WANT AND WHAT THE CASE NEEDS
 9 IN TERMS OF WHAT'S TO BE TRIED.
 10 THE OTHER ISSUE THAT CREATES SOME
 11 UNCERTAINTY IN OUR MIND IS THIS: WE HAD THOUGHT -
 12 AS YOU KNOW, WE TRIED LIMITED REPRESENTATIVE
 13 PRODUCTS IN HYNIX I, NAMELY TWO, ONE SDRAM PRODUCT
 14 AND ONE DDR.
 15 WE HAD SUGGESTED TO THE PARTIES THAT FOR
 16 PURPOSES OF THE DDR 2 TRIAL - AND AS YOU KNOW, THE
 17 MAJORITY OF THE PATENTS RELATE TO DDR 2 - THAT THE
 18 DEFENDANTS SHOULD SELECT A SINGLE DDR 2 PRODUCT.
 19 WHAT THEY HAVE TOLD US IS THEY'RE UNABLE
 20 AT THE PRESENT TIME TO AGREE ON A SINGLE PRODUCT.
 21 THEY MAY NOT BE ABLE TO AGREE ON A SINGLE
 22 REPRESENTATIVE PRODUCT EVEN FROM EACH MANUFACTURER.
 23 SO TO THE EXTENT THEY DESCRIBE FOR US
 24 DIFFERENCES IN THE CIRCUITRY OR OPERATION OF THEIR
 25 PRODUCTS, ONES - DIFFERENCES THAT I THINK MAY BE

<p style="text-align: right;">Page 10</p> <p>1 SUBTLE AND NOT OBVIOUS TO ANY OF US WHO HAVE TRIED 2 TO STUDY THOSE PRODUCTS, BUT APPARENTLY DIFFERENCES 3 THAT THE DEFENDANTS THINK WILL MAKE A DIFFERENCE IN 4 TERMS OF THE OUTCOME OF THE LITIGATION, WE NEED 5 SOME FLEXIBILITY IN ENSURING THAT THE CLAIMS THAT 6 WE SELECT ARE ONES ADDRESSED TO THE PARTICULAR 7 IDIOSYNCRASIES OF THEIR PRODUCTS. 8 SO THESE ARE THE CONCERNS THAT WE FACE. 9 NOW, I RECOGNIZE THE COURT'S DESIRE, AND 10 OBVIOUSLY IF YOU WANT US TO CUT IT TO 25, WE'LL CUT 11 IT TO 25. 12 BUT I THINK WHAT WE DON'T WANT TO DO IS 13 TO HAVE REDUCED THE NUMBER OF CLAIMS TO SUCH AN 14 EXTENT THAT WHAT WE END UP TRYING IS NOT A FAIR 15 TEST OF THE PATENTS. 16 WHAT WE HAVE PROPOSED, AND IT MAY -- I 17 UNDERSTAND THE COURT'S CONCERN. WE HAD PROPOSED 18 LIMITING IT TO 45 CLAIMS, AND TO DO SO AT A POINT 19 IN TIME EARLIER THAN WE HAD REDUCED TO A COMPARABLE 20 NUMBER OF CLAIMS IN HYNIX. 21 BECAUSE HERE WE HAVE 50 PERCENT MORE 22 PATENTS THAN WE HAD IN HYNIX, AND WE'RE PROPOSING 23 TO REDUCE OUR CLAIMS TO 30 PERCENT FEWER CLAIMS 24 THAN WERE THERE. 25 THERE WERE 15 PATENTS THERE, WE HAVE 22</p>	<p style="text-align: right;">Page 12</p> <p>1 WHICH THE DIFFERENT TERMS ARE USED IN THOSE CLAIMS, 2 YOU MAY SEE A DIFFERENCE IN TERMS OF THE SCOPE AND 3 COVERAGE OF THE CLAIMS, WHICH MAY DEPEND IN PART ON 4 WHAT THE REPRESENTATIVE PRODUCTS ARE THAT THE 5 DEFENDANTS ULTIMATELY IDENTIFY. 6 SO OUR PROPOSAL HAD BEEN AFTER THE 7 RULINGS, AS WE DID IN HYNIX, IT WAS AFTER THE 8 RULINGS ON CLAIM CONSTRUCTION AND SUMMARY JUDGMENT 9 THAT YOU ORDERED US TO REDUCE IT TO 10, AND AT THAT 10 POINT IN TIME, WE KNOW EXACTLY WHAT CLAIMS HAVE 11 SURVIVED SUMMARY JUDGMENT SO WE KNOW WE'RE TESTING 12 AT TRIAL CLAIMS THAT ARE ONES THAT, IN FACT, HAVE 13 SOME VIABILITY. 14 AND I THINK A SIMILAR SCHEDULE HERE WOULD 15 WORK. 16 NOW, IF THE COURT'S PERCEPTION WAS IT 17 DIDN'T WORK VERY WELL IN HYNIX I, WE'LL CERTAINLY 18 MODIFY IT. 19 FROM MY PERSPECTIVE, I THOUGHT IT DID 20 WORK WELL IN HYNIX I IN THE SENSE THAT WE ENDED UP 21 GOING TO TRIAL ON CLAIMS THAT I THINK EVERYBODY 22 UNDERSTOOD TO BE CLAIMS THAT HAD COME THROUGH THE 23 CLAIM CONSTRUCTION PROCESS, THE SUMMARY JUDGMENT 24 PROCESS, APPLIED TO THE REPRESENTATIVE PRODUCTS, 25 AND I THINK WE HAD A TRIAL THAT EVERYBODY</p>
<p style="text-align: right;">Page 11</p> <p>1 HERE. WE REDUCED TO 65 CLAIMS THERE, AT A POINT IN 2 TIME BEFORE THE JOINT CLAIM CONSTRUCTION STATEMENT, 3 AND HERE WE'RE PROPOSING THAT WE REDUCE IT FURTHER 4 TO 45. 5 ALL WE WERE ASKING WAS TO WAIT TO DO THAT 6 UNTIL WE HAVE SEEN THE VARIOUS POSITIONS THAT THE 7 PARTIES HAVE TAKEN IN TERMS OF CLAIM CONSTRUCTION. 8 AND THEN, IN JUNE, WE WOULD REDUCE IT TO 9 45 CLAIMS, THAT WAS OUR PROPOSAL, THE GOAL BEING 10 THAT AFTER YOU THEN RULED ON CLAIM CONSTRUCTION SO 11 WE HAD SOME SENSE OF THE RULINGS ON CLAIM 12 CONSTRUCTION -- 13 THE COURT: LET'S ASSUME WE HAD 45 CLAIMS 14 AT CLAIM CONSTRUCTION. HOW MANY TERMS DO YOU THINK 15 YOU WOULD BE ASKING ME TO INTERPRET? 16 MR. STONE: I DON'T THINK THE NUMBER OF 17 TERMS WOULD VARY WHETHER IT'S 45 CLAIMS OR 25 18 CLAIMS. 19 I THINK THE TERMS ARE OFTEN USED -- IT'S 20 THE SAME TERMS IN THESE CLAIMS THAT ARE USED IN 21 VARIOUS COMBINATIONS. 22 I DON'T THINK THAT YOU WILL SEE ANY 23 INCREASE OF ANY SIGNIFICANCE AT ALL IN TERMS OF THE 24 CLAIMS TO BE CONSTRUED IF IT'S 45 OR 25. 25 BUT I DO THINK, BECAUSE OF THE WAYS IN</p>	<p style="text-align: right;">Page 13</p> <p>1 UNDERSTOOD TO HAVE SOME BROADER APPLICABILITY AND 2 TO BE A FAIR PREDICTION OF WHAT THE RESULT WOULD BE 3 HAD WE TRIED OTHER CLAIMS. 4 AND I WOULD HATE FOR US, AND I THINK THE 5 COURT WOULD HATE FOR US, TO GO TO TRIAL ON CLAIMS 6 THAT, AT THE END OF THE DAY, EVERYBODY SAYS WELL, 7 AFTER CLAIM CONSTRUCTION AND SUMMARY JUDGMENT AND 8 ALL THE OTHER RULINGS, THESE WERE NOT REALLY THE 9 BEST CLAIMS, BUT WE DIDN'T HAVE A CHANCE TO TRY THE 10 BEST CLAIMS, SO WE NEED ANOTHER CHANCE TO TRY 11 THOSE. 12 SO I THOUGHT OUR PROPOSAL WAS ONE THAT 13 TRIED TO BE GEARED, WE FELT, WITH A 50 PERCENT 14 INCREASE IN THE NUMBER OF PATENTS, BUT YET A 30 15 PERCENT REDUCTION OF THE NUMBER OF CLAIMS ON OUR 16 PART, THAT WE WERE BEING SENSITIVE TO THE COURT'S 17 DESIRE TO NARROW THE CLAIMS SOONER. 18 AND WE HAD IN MIND, AT LEAST WE HOPED, 19 THE LIKELIHOOD THAT THE CLAIM CONSTRUCTIONS THAT 20 THE COURT HAD MADE PREVIOUSLY WOULD NOT BE ONES 21 THAT YOU WOULD DECIDE DIFFERENTLY IN THE NEXT ROUND 22 OF BRIEFING ON THOSE ISSUES. 23 AND BY THAT I DON'T MEAN TO SUGGEST 24 ANYTHING OTHER THAN THAT WAS OUR HOPE. 25 SO THAT WAS PART OF WHAT WAS MOTIVATING</p>

<p style="text-align: right;">Page 14</p> <p>1 US. 2 NOW, IF YOU WANT, I ASSURE YOU, WE WILL 3 REDUCE THAT NUMBER. INSTEAD OF THE 45, WE WILL 4 REDUCE IT TO 25. 5 I'D LIKE NOT TO BE CONSTRAINED 6 NECESSARILY TO PICK ONE FROM EACH PATENT. I THINK 7 THAT'S A -- THAT'S SOMETHING WE WOULD HAVE TO LOOK 8 AT. 9 BUT I DO THINK PUSHING US TO COME TO 25 10 AT THIS EARLY OF A STAGE IS CUTTING BACK THE NUMBER 11 OF CLAIMS TO BE CONSIDERED TOO QUICKLY, AND I THINK 12 IT RUNS THE RISK THAT I'VE IDENTIFIED EARLIER. BUT 13 THAT'S ALL I HAD ON THAT. 14 I THINK THE TWO CHARTS I'VE HANDED UP 15 SIMPLY TRY TO SHOW YOU THE ACTUAL EXPERIENCE WE HAD 16 IN HYNIX 1, COMPARED TO WHAT WE'RE PROPOSING HERE, 17 AND AT LEAST YOU WILL UNDERSTAND WHY WE THOUGHT OUR 18 PROPOSAL WOULD BE ONE CONSISTENT WITH WHAT WE HAD 19 DONE BEFORE. 20 OBVIOUSLY IT'S NOT WHAT YOU HAD EXPECTED 21 AND I APOLOGIZE TO THE EXTENT WE SHOULD HAVE 22 DESCRIBED FOR YOU THE TECHNOLOGIES COVERED BY EACH 23 OF THE PATENTS AND HOW THEY MIGHT BEST BE 24 UNDERSTOOD. THAT'S SOMETHING WE CAN CLEARLY DO IN 25 FAIRLY SHORT ORDER IF IT'S HELPFUL TO YOU IN</p>	<p style="text-align: right;">Page 16</p> <p>1 MR. FREITAS: NANYA AS WELL, YOUR HONOR. 2 THE COURT: WHAT'S YOUR THOUGHT ABOUT 3 WHATEVER NUMBER OF CLAIMS WE HAVE WHEN YOU FILE 4 YOUR CLAIM CONSTRUCTION STATEMENT TO, IN SOME WAY, 5 PRIORITIZE THE IMPORTANCE OF THE CONSTRUCTIONS. 6 MR. NISSLY: FINE WITH HYNIX, YOUR HONOR. 7 MR. HEALEY: THAT'S FINE WITH SAMSUNG, 8 YOUR HONOR. 9 MR. BOBROW: FINE. 10 MR. FREITAS: THAT'S OKAY WITH US, YOUR 11 HONOR. 12 MR. STONE: WE'RE AGREEABLE AS WELL. 13 THE COURT: ALL RIGHT. IT SEEMS TO ME 14 THAT WHAT I PROPOSED IS REASONABLE. IT SEEMS TO ME 15 THAT WITHIN A WEEK, RAMBUS SHOULD PICK THE 25 16 CLAIMS. 17 I THINK IT'S UNLIKELY, BUT I WILL NOT 18 PRECLUDE THE POSSIBILITY THAT AFTER CLAIM 19 CONSTRUCTION, OR SOMEWHERE REASONABLY BEFORE TRIAL 20 RAMBUS COULD NOT MAKE A MOTION TO ADD A CLAIM. I'M 21 NOT GOING TO PRECLUDE THAT, BUT I CERTAINLY 22 DISCOURAGE IT. I WOULD BE VERY -- HAVE TO BE VERY 23 PERSUADED THAT THAT'S APPROPRIATE. 24 BUT I -- THE ONE THING THAT MR. STONE 25 SAYS THAT DOES HAVE SOME APPEAL, OR MERIT, IS THAT</p>
<p style="text-align: right;">Page 15</p> <p>1 CONSIDERING THIS MATTER. 2 THANK YOU. 3 THE COURT: WHO WANTS TO GO NEXT? 4 MR. NISSLY: YOUR HONOR, BRIEFLY, THE 5 COURT'S PROPOSAL IS FINE WITH HYNIX. 6 I WOULD SIMPLY COMMENT THAT THE 7 EXPERIENCE IN THE HYNIX CASE IN THE 905 CASE 8 PERHAPS WAS -- WELL, LET ME SAY, I DON'T THINK IT 9 WAS QUITE AS PLANNED OUT AND SCHEDULED IN 10 ANTICIPATION OF WHAT WOULD HAPPEN AS MR. STONE 11 MIGHT SUGGEST. 12 AS WE RECALL IT, RAMBUS RESISTED ANY 13 LIMITATION ON ITS CLAIMS DESPITE OUR REPEATED 14 EFFORTS TO GET THEM TO REDUCE THE NUMBER OF CLAIMS 15 AND WE FELT THAT IT DID RESULT IN AN EXTRAORDINARY 16 AMOUNT OF EXTRA WORK ON CLAIM CONSTRUCTION AND 17 SUMMARY JUDGMENT MOTIONS THAT COULD HAVE BEEN 18 AVOIDED. 19 SO WE'RE FINE WITH THE COURT'S PROPOSAL. 20 THE COURT: MR. HEALEY, MR. POWERS, DOES 21 ONE OF YOU WANT TO SPEAK? 22 MR. HEALEY: THE COURT'S PROPOSAL IS FINE 23 WITH SAMSUNG, YOUR HONOR. 24 MR. BOBROW: THE SAME FOR MICRON, YOUR 25 HONOR.</p>	<p style="text-align: right;">Page 17</p> <p>1 WE DON'T WANT A SITUATION WHERE WE DON'T TRY A FAIR 2 REPRESENTATIVE SELECTION OF THE CLAIMS. 3 THE NEXT AREA THAT I WANTED TO -- 4 MR. BOBROW: YOUR HONOR. 5 THE COURT: YES. 6 MR. BOBROW: I APOLOGIZE. 7 IF I MAY ASK FOR ONE ISSUE TO BE 8 CONSIDERED ON THE CLAIMS, UNDER THE COURT'S LOCAL 9 RULES, I BELIEVE THAT THE IDENTIFICATION OF CLAIM 10 TERMS IN DISPUTE ARE ACTUALLY DUE TOMORROW, AND 11 GIVEN THAT THE NUMBER OF CLAIMS WON'T BE REDUCED 12 UNTIL ONE WEEK, I WOULD PROPOSE THAT THAT 13 IDENTIFICATION UNDER THE LOCAL RULES TAKE PLACE ONE 14 WEEK AFTER WE GET RAMBUS'S LIST OF CLAIMS. 15 THE COURT: I THINK THAT'S FAIR. 16 MR. BOBROW: THANK YOU, YOUR HONOR. 17 MR. STONE: YOUR HONOR, SINCE I'M SURE 18 THE PARTIES HAVE THAT DONE ALREADY, IT WOULD BE 19 HELPFUL TO US TO SEE WHAT CLAIMS THEY THINK NEED TO 20 BE CONSTRUED BEFORE WE MAKE OUR ELECTION. 21 SO I DON'T THINK -- I'M SURE MR. BOBROW 22 IS NOT WAITING UNTIL TONIGHT TO START PUTTING 23 TOGETHER WHAT IS DUE TOMORROW, AND IT WOULD BE 24 HELPFUL TO US TO SEE IT IN SELECTING WHAT CLAIMS WE 25 WILL PROCEED ON, AS IT WOULD BE HELPFUL TO US FOR</p>

5 (Pages 14 to 17)

<p style="text-align: right;">Page 18</p> <p>1 THE PARTIES, THE MANUFACTURERS, TO PROPOSE WHAT 2 REPRESENTATIVE PARTS THEY THINK WE SHOULD BE 3 TRYING, BECAUSE IF THEY'RE GOING TO PROPOSE -- IF 4 EACH OF THEM IS GOING TO COME IN WITH SEVEN OR 5 EIGHT DIFFERENT PARTS THAT THEY SAY NEED TO BE 6 TRIED AS REPRESENTATIVE OF THAT COMPANY'S PARTS, WE 7 MAY HAVE MORE PARTS AT ISSUE THAN WE HAVE CLAIMS. 8 SO I THINK WE HAVE BEEN PUT IN THE 9 POSITION OF ELECTING OUR CLAIMS AT A STAGE THAT, AS 10 IT TURNS OUT, IS EARLIER THAN I THINK WOULD BE FAIR 11 TO RAMBUS'S INTERESTS IN THIS CASE, AND SO I'D ASK 12 YOU TO CONSIDER, A, THEY SHOULD GO AHEAD AND 13 PROVIDE US WITH THEIR LIST OF CLAIM TERMS THEY WANT 14 CONSTRUED SO WE AT LEAST HAVE THAT INFORMATION IN 15 ADVANCE OF ELECTING OUR CLAIMS; AND SECONDLY, I 16 REALLY DO THINK WE SHOULD BE GIVEN A LIST OF WHAT 17 THEY PROPOSE AS REPRESENTATIVE PARTS, BECAUSE IT 18 WILL MAKE A DIFFERENCE IF THEY THINK THERE ARE 19 DISTINCT DIFFERENCES BETWEEN ALL OF THE VARIOUS 20 PARTS THAT ARE AT ISSUE IN THIS CASE. 21 THE COURT: OKAY. WHAT I WILL DO -- THIS 22 IS THE TYPE OF THING THAT I WOULD HAVE EXPECTED TO 23 BE COVERED BY A MEET AND CONFER BEFORE TODAY. 24 I WILL ORDER THAT YOU MEET AND CONFER AND 25 TALK ABOUT THESE ITEMS, AND BY MEET AND CONFER, I</p>	<p style="text-align: right;">Page 20</p> <p>1 DISPUTE, THAT THOSE BE ESSENTIALLY TAKEN OFF 2 CALENDAR AND THEN RENOTICED BY WHICHEVER PARTY AT 3 THE TIME IN LIMINE MOTIONS ARE TO BE HEARD TO COVER 4 WHATEVER THE MOVING PARTY WANTS IT TO COVER. 5 AND THEN WITH RESPECT TO THE MOTIONS 6 REGARDING THE PRIMA FACIE EVIDENTIARY EFFECT OF THE 7 FTC FINDINGS AND HYNIX'S MOTION FOR SUMMARY 8 JUDGMENT ON ITS 17200 CLAIM AND ITS EQUITABLE 9 ESTOPPEL DEFENSE, THAT WE FIGURE OUT A BRIEFING 10 SCHEDULE FOR THOSE AT THIS TIME. 11 SO I THINK THAT COVERS THE MOTIONS THAT 12 ARE AT ISSUE IN SOME WAY, AND LET ME HEAR FROM YOU 13 FIRST, I GUESS, MR. STONE. 14 MR. STONE: THANK YOU, YOUR HONOR. 15 I THINK JUST -- NO ISSUE EXCEPT WITH 16 RESPECT TO THE BRIEFING SCHEDULE ON THE TWO MOTIONS 17 THAT THE MANUFACTURERS WOULD LIKE TO BRIEF FURTHER 18 AND OUR PROPOSAL IN THAT REGARD IS THAT THE 19 MANUFACTURERS FILE A -- THE GROUP OF MANUFACTURERS 20 WHO HAVEN'T ALREADY BRIEFED IT, OR HYNIX AS WELL IF 21 IT WANTS TO PARTICIPATE, FILE A SINGLE JOINT 22 SUPPLEMENTAL BRIEF BY JULY 16TH; THAT WE FILE A 23 REPLY OR A RESPONSE TO THAT BY AUGUST 6TH; AND THAT 24 WE SET THE MATTER FOR A HEARING ON AUGUST 17TH. 25 I DON'T THINK THIS IS A MATTER, SINCE THE</p>
<p style="text-align: right;">Page 19</p> <p>1 REALLY MEAN A SERIOUS ONE. 2 BUT I WILL STILL ASK RAMBUS TO IDENTIFY 3 ITS CLAIMS FIRST, BUT I EXPECT THE MANUFACTURERS TO 4 SHARE WITH RAMBUS BEFORE THAT THEIR BASIC THOUGHTS 5 ON WHAT MAKES A DIFFERENCE AS TO REPRESENTATIVE 6 PRODUCTS SO THAT HOPEFULLY WE CAN AVOID A PROBLEM. 7 IF IT TURNS OUT THAT RAMBUS IDENTIFIES 8 CLAIMS AND THE MANUFACTURERS COME UP WITH A NUMBER 9 OF PRODUCTS THAT THEY THINK ARE INVOLVED, I WILL BE 10 WILLING TO RECONSIDER THE IDENTIFICATION OF CLAIMS. 11 ALL RIGHT. LET'S TALK ABOUT THE MOTIONS 12 THAT HAVE BEEN -- EXCUSE ME -- SET FORTH IN THE 13 CASE MANAGEMENT CONFERENCE STATEMENT. 14 AND IT SEEMS TO ME, IF I READ BETWEEN THE 15 LINES CORRECTLY, THAT THERE'S NOT TOO MUCH 16 CONTROVERSY ON THIS. 17 IT SEEMS TO ME, IF I UNDERSTAND IT 18 CORRECTLY, AND IT MAKES SOME SENSE, THAT THE ORDERS 19 THAT RAMBUS IDENTIFIED WHERE IT MIGHT LIKE TO 20 EXPAND THOSE ORDERS TO COVER THE OTHER PARTIES, 21 THAT THAT COULD BE DEFERRED TO, PERHAPS, THE TIME 22 FOR IN LIMINE MOTIONS; THAT THE IN LIMINE MOTIONS 23 THAT ARE TECHNICALLY NOW UNDER SUBMISSION THAT 24 HYNIX -- OR THAT THE MANUFACTURERS HAVE LISTED, BUT 25 ARE BASICALLY THE ONES FROM THE HYNIX/RAMBUS</p>	<p style="text-align: right;">Page 21</p> <p>1 ISSUE HAS ALREADY -- THE MOTION HAS ALREADY BEEN 2 FULLY BRIEFED, EACH OF THE MOTIONS, I THINK A 3 SINGLE BRIEF ON EACH SIDE AT THIS POINT SHOULD BE 4 SUFFICIENT AND THAT WOULD ALLOW US TO GET A HEARING 5 BEFORE THE END OF AUGUST. 6 SO I PROPOSE THOSE THREE DATES. 7 THE COURT: OKAY. 8 MR. BECHER: YOUR HONOR, ROB BECHER FOR 9 MICRON. 10 THE HEARING DATE THAT'S BEEN PROPOSED IS 11 FINE WITH MICRON, BUT THE SCHEDULE THAT HAS BEEN 12 PROPOSED DOES NOT INCORPORATE A REPLY BRIEF. 13 IT WOULD BE OUR REQUEST THAT A REPLY BE 14 INCLUDED PURSUANT TO THE LOCAL RULES, AND THAT THE 15 MOTION BRIEFING BE DONE ALSO PURSUANT TO THE LOCAL 16 RULES FOR AN AUGUST 17TH HEARING DATE. 17 THE COURT: HOW DOES THAT WORK OUT? 18 MR. BECHER: I CAN TELL YOU. I BELIEVE 19 THAT THE DATES WOULD BE JULY -- I BELIEVE THE 20 FILING WOULD BE JULY 13TH; THE OPPOSITION JULY 21 27TH; AND THE REPLY AUGUST 3RD. 22 THE COURT: OKAY. LET ME HEAR FROM -- 23 MR. BECHER: ONE OTHER POINT, YOUR HONOR, 24 IF I MAY, WITH RESPECT TO THE MOTIONS THAT RAMBUS 25 MAY SEEK TO EXPAND.</p>

<p style="text-align: right;">Page 22</p> <p>1 YOUR HONOR SUGGESTED THAT THOSE BE HEARD 2 AT THE TIME OF THE MOTIONS IN LIMINE. 3 MANY OF THOSE ARE ACTUALLY MOTIONS FOR 4 SUMMARY JUDGMENT, SO I WOULD JUST REQUEST 5 CLARIFICATION THAT THOSE WOULD ACTUALLY BE HEARD AT 6 THE TIME OF MOTIONS FOR SUMMARY JUDGMENT PURSUANT 7 TO THE CUT OFF DEADLINES IN THE CASE MANAGEMENT 8 ORDER. 9 THE COURT: YEAH, THEY ARE TECHNICALLY 10 SUMMARY JUDGMENT MOTIONS. 11 I THINK THAT PROBABLY MAKES SENSE, 12 DOESN'T IT. 13 MR. STONE: THAT'S FINE. 14 THE COURT: OKAY. SO THAT PART'S TAKEN 15 CARE OF. I THINK. 16 MR. BECHER: THANK YOU, YOUR HONOR. 17 THE COURT: LET ME HEAR FROM THE OTHERS. 18 MR. HEALEY? 19 MR. HEALEY: THE BRIEFING SCHEDULE IS 20 FINE. 21 WE'D LIKE TO FOLLOW THE LOCAL RULES IN 22 TERMS OF HAVING A REPLY BRIEF. 23 IF IT'S -- IF IT MATCHES THE COURT'S 24 SCHEDULE, I'D LIKE TO MOVE THE HEARING BACK A FEW 25 DAYS OR A WEEK FROM AUGUST 17TH BECAUSE OF A</p>	<p style="text-align: right;">Page 24</p> <p>1 MR. HEALEY: NO. I'M SORRY. IT'S THE -- 2 IT'S THE THURSDAY, FRIDAY. 3 THE COURT: THE 15TH -- OH, I'M SORRY. 4 THE CLERK: THE 16TH. 5 THE COURT: THE 15TH AND 16TH? 6 THE CLERK: 16TH AND 17TH. 7 MR. HEALEY: IT'S THE FRIDAY, SATURDAY. 8 I MEAN THE THURSDAY, FRIDAY. I DON'T HAVE MY 9 BLACKBERRY. 10 MR. BOBROW: 16TH AND 17TH. 11 MR. HEALEY: 16TH, 17TH. SO IT'S FRIDAY 12 AND SATURDAY. THURSDAY AND FRIDAY. I'M SORRY. 13 MR. STONE: WHAT ABOUT AUGUST 3RD? 14 MR. HEALEY: THAT'S FINE IF OTHERS DON'T 15 HAVE A PROBLEM WITH THE BRIEFING SCHEDULE THAT THAT 16 WOULD DICTATE. 17 MR. BECHER: YOUR HONOR, IF THAT WORKS 18 WITH EVERYONE'S SCHEDULE, THEN THAT WOULD BE 19 ACCEPTABLE. 20 (PAUSE IN PROCEEDINGS.) 21 THE COURT: IF WE DID THAT, IF WE DID 22 JULY 9 AND JULY 18, JULY 23RD FOR BRIEFING, WOULD 23 THAT BE AGREEABLE? 24 MR. STONE: I THOUGHT WE NORMALLY WOULD 25 GET AT LEAST TWO WEEKS FOR OUR OPPOSITION, AND I</p>
<p style="text-align: right;">Page 23</p> <p>1 CONFLICT ON AUGUST 16TH AND 17TH. BUT THAT'S 2 SIMPLY A MATTER OF SCHEDULING THE HEARING. 3 THE COURT: ARE THE MANUFACTURERS WILLING 4 TO FILE A COMBINED BRIEF? 5 MR. BECHER: YES, YOUR HONOR. AND I 6 THINK WE'RE ACTUALLY REQUIRED TO UNDER THE CM MODE 7 TO THE EXTENT THAT WE HAVE A COMMON VIEW. 8 THE COURT: THAT'S WHAT I REMEMBER. 9 DOES ANYBODY OBJECT TO MOVING UP THE 10 HEARING DATE TO AUGUST 10TH, WHICH WOULD CUT DOWN 11 THE BRIEFING TIME? 12 MR. STONE: THAT DOES CREATE A CONFLICT 13 FOR US, YOUR HONOR. 14 THE COURT: OKAY. WHAT'S YOUR 15 UNAVAILABILITY, MR. HEALEY? 16 MR. HEALEY: YOUR HONOR, IT'S NOT A COURT 17 SETTING CONFLICT. IT'S A LONGSTANDING, LONG 18 SCHEDULED MOCK TRIAL IN ANOTHER CASE. WE'VE 19 RESERVED THE HOTEL AND MOCK JURORS AND ALL THAT. 20 THE COURT: BUT WHAT DAYS ARE YOU -- 21 MR. HEALEY: IT'S THE 16TH AND 17TH, AND 22 BOTH MR. POWERS AND I WERE SCHEDULED TO PARTICIPATE 23 IN THAT. 24 THE COURT: SO IT'S A FRIDAY AND A 25 SATURDAY?</p>	<p style="text-align: right;">Page 25</p> <p>1 THINK THIS CUTS US DOWN TO ONLY NINE DAYS, IF I 2 COUNTED CORRECTLY. 3 THE COURT: RIGHT. I'M JUST TRYING TO 4 COMPACT IT SO THAT IT WOULD WORK. 5 THE PROBLEM WITH DOING IT AUGUST 3RD -- I 6 GUESS WE COULD MOVE UP THE INITIAL FILING DATE TO 7 JULY 2, JULY 16, JULY 23. 8 MR. STONE: I'M SORRY. WHEN WOULD IT 9 INITIALLY BE FILED? 10 THE COURT: JULY 2. 11 MR. STONE: OKAY. SO IT'S JULY 2, JULY 12 16, AND THEN? 13 THE COURT: JULY 23. 14 MR. STONE: OKAY. 15 MR. BECHER: THAT WOULD BE FINE, YOUR 16 HONOR. 17 MR. STONE: AND THAT LEAVES US WITH A 18 HOLIDAY IN THERE, BUT IT SEEMS TO ME, GIVEN THAT WE 19 HAVE MORE THAN A MONTH UNTIL THEY FILE THEIR 20 MOTION, IT SHOULDN'T TAKE THEM -- OR THEIR BRIEF, 21 IT SHOULDN'T TAKE THEM -- THEY SHOULD BE ABLE TO 22 GIVE US A FEW MORE DAYS ON THAT. 23 WE'LL LIVE WITH WHATEVER THE SCHEDULE IS, 24 BUT IT SEEMS TO US THEY SHOULD BE ABLE TO GET IT 25 IN. A MONTH FROM NOW WOULD SEEM TO BE AMPLE TIME</p>

<p style="text-align: right;">Page 26</p> <p>1 THE COURT: OKAY. I AGREE, BUT I GAVE 2 YOU -- HOW ABOUT JUNE 20? 3 MR. STONE: THAT WOULD HELP A LOT FROM 4 OUR PERSPECTIVE. 5 MR. BECHER: YOUR HONOR, WE'RE MORE THAN 6 WILLING TO BE ACCOMMODATING, BUT DO YOU THINK WE 7 COULD PUSH THAT TO THE 12TH, WHICH WILL GIVE 8 SEVERAL WEEKS FOR THE OPPOSITION TO BE PREPARED. 9 MR. STONE: THAT'S FINE. 10 THE COURT: OKAY. SO TELL ME WHAT YOUR 11 DATES ARE AGAIN. 12 MR. STONE: WHAT I HAVE DOWN IS I HAVE 13 THE BRIEF FILED ON JUNE 28TH, THE OPPOSITION JULY 14 16TH, A REPLY ON JULY 23RD, AND A HEARING ON AUGUST 15 3RD. 16 THE COURT: OKAY. 17 MR. STONE: WHILE WE'RE ON THE SUBJECT, 18 WE HAD, IN THE CASE MANAGEMENT ORDER, YOUR HONOR 19 WE HAD SCHEDULED OUR NEXT MOTION DAY AND STATUS 20 CONFERENCE FOR JULY 20. 21 THE COURT'S CALENDAR SUGGESTS THAT THAT'S 22 A DAY ON WHICH THE COURT WOULD BE DARK IN ANY 23 EVENT, BUT WHETHER THAT'S RIGHT OR NOT, IF WE'RE 24 GOING TO BE HERE ON AUGUST 3RD, SHOULD WE COMBINE 25 THE --</p>	<p style="text-align: right;">Page 28</p> <p>1 CONDUCT TRIAL IS OVER. 2 THE COURT: OKAY. IS MARCH SOME TIME 3 AGREEABLE? 4 MR. NISSLY: YES, YOUR HONOR. 5 THE COURT: I DON'T HAVE A MARCH 6 CALENDAR. DO YOU HAVE ONE, JACKIE? 7 THE CLERK: UM-HUM. THE 17TH FOR TRIAL? 8 THE COURT: FOR THE CLAIM CONSTRUCTION. 9 THE CLERK: WE CAN DO THE 18TH, WHICH IS 10 A TUESDAY. 11 THE COURT: OKAY. 12 THE CLERK: ALL DAY? 13 THE COURT: YEAH. IT MIGHT EVEN BE A 14 COUPLE DAYS. 15 THE CLERK: MARCH 18TH AND 19TH. 16 MR. POWERS: SORRY? 17 THE CLERK: MARCH 18TH AND 19TH. 18 MR. POWERS: I'M SCHEDULED TO BE IN TRIAL 19 BEFORE JUDGE PATEL THEN. IF WE PUSH IT ANOTHER 20 WEEK, I THINK I MIGHT BE FINE. 21 THE COURT: WHICH WAY? 22 MR. POWERS: LATER. 23 THE CLERK: THE 25TH AND 26TH. 24 THE COURT: OKAY. THEN I THINK WE SHOULD 25 SET A CLAIM CONSTRUCTION -- EXCUSE ME -- A CASE</p>
<p style="text-align: right;">Page 27</p> <p>1 THE COURT: YES, I THINK THAT'S A GOOD 2 IDEA. 3 MR. STONE: OKAY. SO WE'LL JUST MAKE 4 SURE THAT'S INCLUDED IN THE ORDER, THAT THAT DATE 5 WILL BE MOVED AS PROVIDED IN THE CM. 6 THE COURT: RIGHT. 7 ALL RIGHT. NEXT ON MY LIST IS THE 8 SCHEDULE FOR THE PATENT TRIAL, AND BASICALLY IT 9 SEEMS TO ME THAT WHAT WE NEED IS A DATE FOR THE 10 CLAIM CONSTRUCTION HEARING AND A -- FIRST OF ALL, 11 WE NEED A DATE FOR THE CLAIM CONSTRUCTION HEARING, 12 AND PROBABLY A CASE MANAGEMENT CONFERENCE DATE 30 13 DAYS THEREAFTER. 14 AND THEN I'LL TALK TO YOU ABOUT FURTHER 15 SCHEDULING. 16 SO I GATHER THE PARTIES -- AGAIN, IF I 17 READ BETWEEN THE LINES CORRECTLY -- CONTEMPLATED A 18 CLAIM CONSTRUCTION HEARING IN ABOUT FEBRUARY. 19 MR. DETRE: I THINK, YOUR HONOR, THAT 20 PROBABLY THE JANUARY 22ND TRIAL IS GOING TO RUN 21 INTO FEBRUARY, SO MARCH WOULD PROBABLY BE MORE 22 LIKELY. 23 THE COURT: OKAY. 24 MR. DETRE: BUT AT SOME REASONABLE TIME 25 AFTER THE THIRD PHASE OF THE HYNIX TRIAL, THE</p>	<p style="text-align: right;">Page 29</p> <p>1 MANAGEMENT CONFERENCE FOR ABOUT 30 DAYS THEREAFTER 2 IN THE HOPES THAT I'LL HAVE A RULING, AND IF NOT, 3 YOU'LL AT LEAST HAVE A CHECK ON ME. 4 AND ASSUMING I HAVE IT DONE, THEN I THINK 5 WE SHOULD PLAN, ALTHOUGH I DON'T WANT TO SET IT IN 6 STONE -- EXCUSE ME, MR. STONE -- 7 MR. STONE: THAT'S QUITE ALL RIGHT. 8 THE COURT: -- THAT THE RAMBUS PROPOSAL 9 SEEMS PRETTY REASONABLE. 10 MR. STONE: AND I DON'T ASK YOU TO SET 11 THE TRIAL DATE IN STONE OR IN CONCRETE OR IN 12 ANYTHING ELSE, YOUR HONOR. 13 BUT IF WE COULD SET THE DATE SO THAT WE 14 ALL KNOW IN FUTURE HEARINGS THAT WE HAVE THIS DATE 15 AND NEED TO PROTECT IT AGAINST SCHEDULING OTHER 16 TRIALS IN OTHER COURTROOMS, I THINK IT WOULD BE 17 HELPFUL, BECAUSE WE ALL HAVE EXPERIENCED THE 18 DIFFICULTY IN THIS CASE OF -- 19 THE COURT: YEAH. I'LL SET THE DATE YOU 20 PROPOSED, RECOGNIZING IT'S BEING SET SO THAT YOU 21 CAN REPRESENT IT TO OTHER COURTS TO KEEP THE DATE 22 FREE. 23 BUT I DON'T -- NORMALLY I SAY TRIAL DATES 24 DON'T GET MOVED, BUT I DON'T MEAN IT THAT STRONGLY 25 IN THIS CASE.</p>

<p style="text-align: right;">Page 30</p> <p>1 MR. STONE: I APPRECIATE THAT.</p> <p>2 THE COURT: OKAY. I AM NOT GOING TO MAKE</p> <p>3 A DECISION AT THIS POINT AS TO WHAT THAT TRIAL IS</p> <p>4 GOING TO LOOK LIKE AS FAR AS CONSOLIDATION GOES.</p> <p>5 THE MORE THAT CAN GET DONE IN ONE TRIAL, THE</p> <p>6 BETTER.</p> <p>7 BUT I THINK IT'S TOO FAR IN ADVANCE, AND</p> <p>8 FOR ALL I KNOW, YOU MAY HAVE A DIFFERENT JUDGE BY</p> <p>9 THAT POINT.</p> <p>10 I WANT TO DEFER DISCUSSING THE SAMSUNG</p> <p>11 SPOILIATION ISSUE.</p> <p>12 THERE IS THE QUESTION RAISED BY HYNIX AS</p> <p>13 TO WHETHER THE KSR DECISION AFFECTS THE TRIAL THAT</p> <p>14 OCCURRED, AND THE QUESTION BASICALLY IS WHETHER OR</p> <p>15 NOT THE OBVIOUSNESS INSTRUCTIONS THAT WERE GIVEN</p> <p>16 WERE CORRECT UNDER KSR.</p> <p>17 I, FRANKLY, HAVEN'T LOOKED BACK TO SEE</p> <p>18 WHAT INSTRUCTION I GAVE.</p> <p>19 I WILL ALSO SAY THAT I MUST ADMIT, WHEN</p> <p>20 KSR CAME DOWN, I WONDERED WHETHER IT WOULD HAVE ANY</p> <p>21 AFFECT, AND I JUST HAVEN'T GONE BACK AND LOOKED.</p> <p>22 BUT I'LL -- RAMBUS FEELS THAT I DID IT</p> <p>23 CORRECTLY, AND I HOPE I DID, AND THERE IS A</p> <p>24 DIFFERENCE BETWEEN THE LAW AS IT IS NOW AND THE LAW</p> <p>25 AT THE TIME, AND I DO THINK IF HYNIX WANTS TO GIVE</p>	<p style="text-align: right;">Page 32</p> <p>1 FURTHER ARGUMENT ON IT. I'LL JUST TAKE A LOOK AT</p> <p>2 THE BRIEFING, AND IF I WANT FURTHER ARGUMENT, I'LL</p> <p>3 LET YOU KNOW.</p> <p>4 MR. NISSLY: VERY GOOD.</p> <p>5 THE COURT: THE LAST THING I HAVE WITH</p> <p>6 RESPECT TO THE CASE MANAGEMENT CONFERENCE STATEMENT</p> <p>7 IS I WANTED TO LOOK BACK AT ATTACHMENT A OF THE</p> <p>8 CASE MANAGEMENT CONFERENCE ORDER.</p> <p>9 WHAT I WAS CONCERNED ABOUT IS MAKING SURE</p> <p>10 THAT THERE WAS NO DISAGREEMENT AS BETWEEN THE</p> <p>11 PARTIES, OR AMONG THE PARTIES, AS TO THE EQUITABLE</p> <p>12 ESTOPPEL, ESTOPPEL, THE LACHES ISSUES THAT ARE</p> <p>13 GOING TO BE TRIED IN THE CONSOLIDATED TRIAL.</p> <p>14 I'M ASSUMING THAT THE PARTIES HAVE A</p> <p>15 CLEAR UNDERSTANDING OF THOSE ISSUES, BUT THERE ARE</p> <p>16 DIFFERENT AFFIRMATIVE DEFENSES OR CLAIMS LISTED,</p> <p>17 WHICH HOPEFULLY SEGREGATE THEM OUT.</p> <p>18 BUT I JUST DON'T WANT TO COME DOWN TO IT</p> <p>19 AND FIND OUT WE HAVE SOME DISAGREEMENT, "WELL, I</p> <p>20 THOUGHT LACHES WAS IN THIS ASPECT OR LACHES WAS IN</p> <p>21 THIS CASE."</p> <p>22 "NO, I THOUGHT IT WAS IN THIS CASE."</p> <p>23 SO I WOULD ASK THE PARTIES TO REFINE</p> <p>24 THOSE DEFINITIONS A LITTLE BIT SO WE MAKE SURE THAT</p> <p>25 WE'RE IN EXACT AGREEMENT ON WHAT'S COVERED.</p>
<p style="text-align: right;">Page 31</p> <p>1 ME A SHORT BRIEF ON THE AFFECT THEY THINK KSR HAS</p> <p>2 ON WHETHER OR NOT THE INSTRUCTIONS WERE ERROR OR</p> <p>3 NOT, THEY OUGHT TO BE ALLOWED TO DO SO AND RAMBUS</p> <p>4 OBVIOUSLY OUGHT TO BE ALLOWED TO RESPOND.</p> <p>5 BASICALLY I'LL LET THE PARTIES DECIDE</p> <p>6 WHEN THEY WANT TO DO THAT.</p> <p>7 MR. STONE: THAT'S FINE. I HAVE THE</p> <p>8 INSTRUCTION, IF YOU -- I CAN JUST GIVE YOU MY COPY</p> <p>9 OF THE INSTRUCTION ON THIS ISSUE IF YOU WANT TO</p> <p>10 HAVE IT TO LOOK BACK AT IT. NOT TO ARGUE IT NOW,</p> <p>11 BUT IF YOU'D LIKE TO HAVE IT.</p> <p>12 THE COURT: YEAH, I'M CURIOUS.</p> <p>13 MR. STONE: I ONLY HAVE MY COPY.</p> <p>14 THE COURT: I'LL GIVE IT BACK TO YOU.</p> <p>15 MR. STONE: IT WAS INSTRUCTION 16.</p> <p>16 (PAUSE IN PROCEEDINGS.)</p> <p>17 THE COURT: OKAY. THANKS. I'LL GIVE IT</p> <p>18 BACK TO YOU.</p> <p>19 MR. NISSLY: THAT'S FINE, YOUR HONOR.</p> <p>20 WE'LL MEET AND CONFER WITH MR. STONE ON A SCHEDULE</p> <p>21 DOES THE COURT HAVE ANY REFERENCE? DO</p> <p>22 YOU WANT TO TAKE THAT UP IN, I GUESS, NOW EARLY</p> <p>23 AUGUST, OR --</p> <p>24 THE COURT: I DON'T REALLY CARE. I'LL</p> <p>25 JUST -- IN FACT, I DON'T ANTICIPATE HAVING ANY</p>	<p style="text-align: right;">Page 33</p> <p>1 THEN THE OTHER ISSUE THAT ARISES IN MY</p> <p>2 MIND, AND THE PARTIES HAVE AGREED AS TO WHAT SHOULD</p> <p>3 BE CONSOLIDATED AND TRIED IN THE CURRENT CONDUCT</p> <p>4 TRIAL, FOR WANT OF A BETTER TERM, WHAT ISSUES THE</p> <p>5 PARTIES AGREE ARE JURY AND WHAT ISSUES THE PARTIES</p> <p>6 AGREE, IF ANY, ARE -- AND WHAT ISSUES ARE NON-JURY;</p> <p>7 WHAT ISSUES, IF ANY, THE PARTIES THINK THERE ARE;</p> <p>8 AND WHERE THERE'S ANY DISAGREEMENT SO WE CAN SORT</p> <p>9 THAT OUT.</p> <p>10 MY TENTATIVE UNDERSTANDING IS THAT ALL</p> <p>11 THE ISSUES WOULD BE COURT ISSUES, EXCEPT POSSIBLY</p> <p>12 THE TWO MONOPOLIZATION CLAIMS.</p> <p>13 BUT THERE MAY BE DISAGREEMENT ON THAT.</p> <p>14 SO I THINK WE NEED TO HAVE THE PARTIES</p> <p>15 MEET AND CONFER WITH RESPECT TO THAT, AND THEN</p> <p>16 BRING TO ME ANY ISSUE AS TO JURY VERSUS NON-JURY</p> <p>17 AND WHETHER THERE'S A DISPUTE.</p> <p>18 SO CAN YOU -- WHY DON'T YOU DO THAT BY</p> <p>19 THE NEXT CASE MANAGEMENT CONFERENCE, AND IF THERE'S</p> <p>20 A DISAGREEMENT, THEN WE'LL SET A HEARING FOR THAT.</p> <p>21 I DON'T EXPECT YOU TO ARGUE IT IN THE</p> <p>22 NEXT CASE MANAGEMENT CONFERENCE, BUT JUST IDENTIFY</p> <p>23 ANY DISPUTE AND REFINE YOUR LIST OF ISSUES.</p> <p>24 OKAY. I THINK THAT COVERS WHAT I</p> <p>25 INTENDED TO COVER ON THE CASE MANAGEMENT ISSUES.</p>

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1 MR. STONE: CAN I RAISE ONE OTHER MATTER
 2 THAT I THINK IS NOT ON YOUR LIST?
 3 THE COURT: YES.
 4 MR. STONE: WE'VE BEEN TALKING, REALLY
 5 MS. LUEDTKE HAS BEEN TALKING WITH MR. BECHER, WHO'S
 6 BEEN DOING YEOMAN'S WORK IN TERMS OF CASE
 7 MANAGEMENT AND SCHEDULING AND OTHER THINGS, AND ONE
 8 OF THE THINGS THAT CAME UP IS A REALIZATION THAT
 9 THE NEXT CMO, WHICH I THINK IS SET FOR OCTOBER
 10 26TH, FOLLOWS ON THE HEELS OF YOUR CUT OFF FOR
 11 SUMMARY JUDGMENT MOTIONS OF OCTOBER 1, SUCH THAT
 12 THAT WOULD NOT BE A DATE ON WHICH WE WOULD EXPECT
 13 SUMMARY JUDGMENT MOTIONS TO BE HEARD.
 14 SO I THINK THE DISCUSSION WAS THAT WE
 15 SHOULD TRY TO MOVE IT TO ANOTHER SOMEWHAT LATER
 16 DATE, LIKE NOVEMBER 6, 7, OR 8 IF THOSE ARE
 17 AVAILABLE DAYS, SO THAT WE COULD THEN HAVE THE
 18 BENEFIT OF COMBINING MOTIONS WITH A STATUS
 19 CONFERENCE.
 20 MR. BECHER: THAT WOULD BE FINE, YOUR
 21 HONOR.
 22 THE COURT: THAT MAKES SENSE TO ME. I
 23 THINK IT WOULD MAKE SENSE TO SET IT ON A SEPARATE
 24 DAY.
 25 THE CLERK: WHEN IN NOVEMBER?

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1 THE COURT: NOVEMBER 6TH OR 7TH.
 2 THE CLERK: NOVEMBER 6TH?
 3 THE COURT: WHAT'S THE 7TH? A THURSDAY?
 4 THE CLERK: NO. THE 8TH IS.
 5 THE COURT: SO THE 7TH WOULD BE A
 6 WEDNESDAY?
 7 THE CLERK: YEAH.
 8 THE COURT: OKAY. NOVEMBER 7TH, A
 9 WEDNESDAY?
 10 MR. STONE: THAT'S FINE, YOUR HONOR.
 11 THANK YOU.
 12 THE COURT: LET'S DO IT AT 2:00 O'CLOCK.
 13 OKAY. IS EVERYBODY READY TO TURN TO THE
 14 MOTIONS?
 15 THE FIRST ONE I WANT TO DISCUSS IS
 16 SAMSUNG'S, SAMSUNG'S MOTION FOR SUMMARY JUDGMENT
 17 BASED UPON COLLATERAL ESTOPPEL, AND LET ME GO
 18 THROUGH MY THINKING ON THIS.
 19 IT BASICALLY SEEMS TO ME THAT IF
 20 JUDGE PAYNE'S ORDER IN THE VIRGINIA SAMSUNG CASE IS
 21 APPEALABLE, THEN IT'S SUBJECT TO BEING GIVEN
 22 COLLATERAL ESTOPPEL EFFECT.
 23 IT SEEMS TO ME THAT THE ISSUES WITH
 24 RESPECT TO THAT ARE: ONE, WHETHER OR NOT THE
 25 JUDGMENT IS SUMMARY JUDGMENT TO APPELLATE REVIEW

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1 BECAUSE RAMBUS ULTIMATELY PREVAILED ON THE
 2 ATTORNEYS' FEES ISSUE, AND IT MAY NOT BE AN
 3 APPEALABLE ORDER BY RAMBUS BECAUSE THE JUDGMENT,
 4 ULTIMATE JUDGMENT WAS IN THEIR FAVOR.
 5 I'M NOT SAYING THAT'S THE RIGHT ANALYSIS,
 6 BUT IT SEEMS TO ME THAT THAT'S AN ARGUMENT.
 7 AND IF IT IS APPEALABLE BECAUSE OF THE
 8 ADVERSE FINDINGS IN CONNECTION WITH THAT JUDGMENT
 9 THAT'S ONE THING.
 10 IF IT'S NOT, THAT'S ANOTHER.
 11 SECONDLY, IT SEEMS TO ME THAT THERE'S AN
 12 ISSUE AS TO WHETHER OR NOT THE ATTORNEYS' FEES
 13 ORDER IS APPEALABLE BECAUSE -- OR THERE'S AN ISSUE
 14 AS TO WHETHER OR NOT IT WAS -- THE ADVERSE FINDING
 15 WAS NECESSARY.
 16 AGAIN, IT COULD BE THAT IT WAS. IT COULD
 17 BE THAT IT WASN'T.
 18 AND IF IT WAS, THAT WOULDN'T PREVENT IT
 19 BEING APPEALABLE.
 20 IF IT WAS NOT, THEN IT PROBABLY ISN'T
 21 APPEALABLE.
 22 BOTH OF THOSE ISSUES, IT SEEMS TO ME, ARE
 23 SQUARELY BEFORE THE FEDERAL CIRCUIT, AND IF THE
 24 FEDERAL CIRCUIT WERE TO DETERMINE THAT THE ORDER IS
 25 NOT APPEALABLE BECAUSE THE FINDINGS WERENT

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1 NECESSARY, OR BECAUSE RAMBUS CAN'T APPEAL BECAUSE
 2 IT PREVAILED ON THE JUDGMENT, THEN IT SEEMS TO ME
 3 THAT COLLATERAL ESTOPPEL SHOULD NOT BE APPLIED.
 4 IF THE FEDERAL CIRCUIT WERE TO SAY, YES,
 5 THE JUDGMENT IS APPEALABLE, IT WAS NECESSARY FOR
 6 THE FINDINGS WITH RESPECT TO WHETHER ATTORNEYS'
 7 FEES WERE AWARDBLE OR NECESSARY, BECAUSE IT'S A
 8 TWO-PRONG TEST, AND PART OF THE TEST IS WHETHER,
 9 BASICALLY, IT'S AN EXTRAORDINARY CASE; AND, YES,
 10 IT'S APPEALABLE BECAUSE IT HAS ADVERSE FINDINGS TO
 11 RAMBUS THAT COULD HAVE RAMIFICATIONS; AND SINCE IT
 12 IS APPEALABLE, WE'RE GOING TO REVIEW IT, AND THEN
 13 THEY REVIEW IT AND THEY AFFIRM IT, THAT SEEMS TO ME
 14 TO REACH -- TO TAKE US DOWN ONE ROAD, OBVIOUSLY.
 15 IF THEY REVERSE IT, THEN, WELL, OBVIOUSLY
 16 THERE'S NOTHING TO APPLY FROM A COLLATERAL ESTOPPEL
 17 STANDPOINT.
 18 IF THEY WERE TO SAY IT'S APPEALABLE AND
 19 WE AFFIRM, THEN IT SEEMS TO ME THAT WE CONSIDER
 20 WHETHER OR NOT THE FAIRNESS DOCTRINE WOULD
 21 PRECLUDE, OR GIVE ME THE DISCRETION NOT TO APPLY IT
 22 COLLATERALLY, AND I HAVE NOT SEEN A CASE -- MAYBE
 23 THERE IS ONE -- THAT HAS SAID THAT THE FAIRNESS
 24 DOCTRINE APPLIES IF THE CASE IS BETWEEN THE SAME
 25 PARTIES.

1 IT SEEMS TO ME THAT THE FAIRNESS DOCTRINE
 2 GENERALLY HAS BEEN APPLIED ONLY IN THOSE SITUATIONS
 3 WHERE THE PARTIES HAVE BEEN DIFFERENT.
 4 IN OTHER WORDS, THERE'S NOT -- IT'S A
 5 NON-MUTUAL COLLATERAL ESTOPPEL SITUATION.
 6 AND I'D ALSO -- EVEN THOUGH IT MAY BE
 7 THAT MY DECISION WAS CONTRARY TO JUDGE PAYNE'S ON
 8 ESSENTIALLY THE SAME FACTS, JUDGE PAYNE DID HOLD A
 9 THREE AND A HALF DAY HEARING, AND I'M NOT SURE
 10 THAT, IF THE COURT OF APPEALS WERE TO FIND HIS
 11 ORDER APPEALABLE AND AFFIRM IT, THAT I'M IN A
 12 POSITION, REGARDLESS OF WHETHER I AGREE WITH IT OR
 13 NOT, TO NOT APPLY COLLATERAL ESTOPPEL.
 14 IF WE GOT TO THAT POINT, IT SEEMS TO ME
 15 THAT THE MOST THAT I COULD SAY, THOUGH, WOULD BE
 16 THAT THIS IS A FINDING OF SPOILIATION THAT CAN BE
 17 APPLIED COLLATERALLY.
 18 BUT IT DOESN'T SEEM TO ME THAT THAT BINDS
 19 ME TO FIND UNCLEAN HANDS, OR THAT THE REMEDY FOR
 20 THE SPOILIATION IS NECESSARILY DISMISSAL.
 21 ALL THIS MEANS, AND HOPEFULLY NOT TOO
 22 DISJOINTEDLY, IS THAT IT SEEMS TO ME THAT THE ONLY
 23 PRUDENT COURSE FOR ME IS TO AWAIT THE FEDERAL
 24 CIRCUIT'S RULING, AND AS I UNDERSTAND IT, THAT'S
 25 BEEN SUBMITTED TO THEM.

1 SO I'M HAPPY TO HEAR FROM ANYBODY
 2 BRIEFLY, BUT THAT'S KIND OF HOW I LOOK AT IT AT
 3 THIS POINT.
 4 I GUESS, MR. HEALEY, IT'S YOUR MOTION, SO
 5 IF YOU WANT TO TALK FIRST, OR SAY ANYTHING, YOU'RE
 6 WELCOME TO.
 7 MR. HEALEY: YOUR HONOR, I THINK BY AND
 8 LARGE YOU'VE CORRECTLY ANALYZED THE ISSUES.
 9 THE TWO COMMENTS THAT I HAVE, HOWEVER,
 10 ARE, FIRST, THAT THE ARGUMENTS ON APPEALABILITY
 11 THAT RAMBUS HAS MADE IN THE FEDERAL CIRCUIT ARE
 12 ESSENTIALLY -- AND IN THE OPPOSITION HERE -- ARE
 13 ESSENTIALLY, IN MANY WAYS, THE SAME ARGUMENTS IN
 14 SOME RESPECTS UNIQUE TO APPELLATE PROCEDURE, BUT IN
 15 TERMS OF THE KEY ISSUES, SUCH AS WHETHER SECTION
 16 285 IS A SANCTION OR NOT, THOSE WERE ALSO PRESENTED
 17 TO JUDGE PAYNE, AND THEY WERE PRESENTED TO
 18 JUDGE PAYNE IN THE CONTEXT OF MOOTNESS, AND
 19 JUDGE PAYNE RULED THAT SECTION 285 IS -- THE
 20 STATUTORY RELIEF SOUGHT BY SAMSUNG WAS NOT MOOTED
 21 BY THE COVENANT NOT TO SUE.
 22 AND HE HELD THAT THIS WAS A TWO-STEP
 23 ANALYSIS, AND, IN FACT, HE HELD AGAINST RAMBUS ON
 24 THE ARGUMENTS THAT THEY MADE HERE AND THE ARGUMENTS
 25 THEY'RE MAKING IN THE FEDERAL CIRCUIT AS TO WHETHER

1 SECTION 285 IS INDEPENDENTLY SANCTIONED.
 2 IN FACT, IF YOU LOOK AT THE END OF HIS
 3 OPINION, YOU'LL SEE THAT HE CONSIDERED THE FINDING
 4 OF EXCEPTIONALITY ALONE TO BE A SANCTION.
 5 ONE OF THE ISSUES ON APPEAL IS NOT
 6 WHETHER A SANCTION ORDER IS APPEALABLE. I DON'T
 7 BELIEVE THAT THERE'S ANY DISPUTE THAT A SANCTION
 8 ORDER IS APPEALABLE.
 9 THE QUESTION ON APPEAL IS WHETHER OR NOT
 10 THE SECTION 285 FINDING OF EXCEPTIONAL CASE IS A
 11 SANCTION.
 12 SO THE SITUATION THAT WE'RE IN IN REGARD
 13 TO THE PROCEDURAL POSTURE HERE IS THAT THERE IS A
 14 GROUND THAT JUDGE PAYNE HAS BEEN PRESENTED WITH BY
 15 RAMBUS, THAT HE HAS EXPLICITLY RULED ON IN HIS
 16 OPINION, AND THAT GROUND THAT HE HAS EXPLICITLY
 17 RULED ON IS THAT SECTION 285 IS, IN AND OF ITSELF,
 18 A SANCTION.
 19 UNDER CURRENT LAW, I DON'T THINK THERE'S
 20 ANY DISPUTE THAT THAT IS AN APPEALABLE ORDER.
 21 THE QUESTION THAT'S ON APPEAL IS WHETHER
 22 OR NOT JUDGE PAYNE WAS CORRECT IN HOLDING SECTION
 23 285 INDEPENDENTLY AS A SANCTION, AND IF IT IS NOT A
 24 SEPARATE SANCTION, MUCH IN THE WAY OF A REPRIMAND
 25 OR SOMETHING OF THAT NATURE, THEN RAMBUS'S ARGUMENT

1 IS IT WOULD NOT BE APPEALABLE.
 2 SO UNDER THE TERMS OF JUDGE PAYNE'S
 3 RULING, THE JUDGMENT AS IT STANDS, IT IS
 4 APPEALABLE, AND THERE'S REALLY NO ARGUMENT THAT
 5 IT'S NOT APPEALABLE IF YOU GIVE CREDIT TO WHAT WAS
 6 ACTUALLY PRESENTED TO JUDGE PAYNE AND HIS RULING.
 7 SO MY FIRST COMMENT IS THAT RULING BY
 8 JUDGE PAYNE AND THAT FINDING THAT 285 IS A
 9 SANCTION, WHICH WOULD CLEARLY MAKE IT APPEALABLE IF
 10 JUDGE PAYNE IS RIGHT THAT IT IS, IN FACT, A
 11 SANCTION, THAT THAT IS ENTITLED TO DEFERENCE UNDER
 12 THE DOCTRINE OF MUTUAL COLLATERAL ESTOPPEL, EVEN
 13 PENDING THE APPEAL.
 14 AND SO IT'S REALLY NOT NECESSARY, AND MY
 15 SECOND COMMENT IS WHY IT'S REALLY NOT APPROPRIATE.
 16 IT'S REALLY NOT NECESSARY TO WAIT FOR THE
 17 FEDERAL CIRCUIT TO RULE ON THAT ISSUE, AND IT IS
 18 SQUARELY BEFORE THE FEDERAL CIRCUIT, AND THIS IS
 19 ONE OF THE MAIN ISSUES, IF NOT THE LARGEST ISSUE ON
 20 APPEAL.
 21 BUT THAT ISSUE HAS BEEN DECIDED BY
 22 JUDGE PAYNE. THAT ISSUE IS ON APPEAL TO THE
 23 FEDERAL CIRCUIT.
 24 BUT UNDER THE LAW OF MUTUAL COLLATERAL
 25 ESTOPPEL, THAT ISSUE IS TO BE GIVEN COLLATERAL

<p style="text-align: right;">Page 42</p> <p>1 ESTOPPEL EVEN PENDING APPEAL SINCE IT WAS ACTUALLY 2 RESOLVED BY ANOTHER FEDERAL DISTRICT COURT OF 3 PORTENT COMPETENT JURISDICTION. 4 THAT BEING SAID, I THINK THAT, AS IN THE 5 SCRIPPS CASE, WHICH WE CITED IN OUR BRIEF, WHICH 6 WAS DECIDED, I BELIEVE, IN 1990 BY ANOTHER JUDGE IN 7 THE NORTHERN DISTRICT OF CALIFORNIA, THAT CASE 8 ILLUSTRATES THE CORRECT COLLATERAL ESTOPPEL 9 ANALYSIS, WHICH IS THAT THE COLLATERAL ESTOPPEL 10 APPLIES TO AN EXCEPTIONAL CASE. 11 AND THEN IN THAT CASE, AFTER THE COURT 12 APPLIES -- AND IN THAT CASE, THERE WAS -- HE WAS 13 APPLYING AN EXCEPTIONAL CASE ORDER THAT DID HAVE A 14 FINDING OF ATTORNEYS' FEES AS WELL, BUT THE 15 DISTRICT JUDGE IN THE SCRIPPS CASE RECOGNIZED THAT 16 IT WAS THE EXCEPTIONAL CASE FINDING THAT WAS 17 ENTITLED TO COLLATERAL ESTOPPEL, APPLIED IT, 18 COLLATERAL ESTOPPEL, TO THE EXCEPTIONAL CASE 19 FINDING IN THAT CASE, AND THEN HE APPLIED 20 SEPARATELY TO THE FACTS OF THE CASE BEFORE HIM HIS 21 DISCRETION ON HOW TO TREAT THE ATTORNEYS' FEES 22 REQUEST. 23 AND IN SCRIPPS, THE DISTRICT COURT 24 EXPLICITLY MADE A FINDING OF EXCEPTIONAL CASE BASED 25 ON COLLATERAL ESTOPPEL, AND THEN A SEPARATE FINDING</p>	<p style="text-align: right;">Page 44</p> <p>1 SHOULD GRANT SUMMARY JUDGMENT ON THE UNCLEAN HANDS 2 BECAUSE IF YOU WERE TO ACCEPT THE DISTRICT COURT 3 FINDINGS, THE EXISTING FINDINGS AS BEING ENTITLED 4 TO COLLATERAL ESTOPPEL, THEN I DON'T THINK THAT 5 THERE CAN REALLY BE ANY OTHER LESSER REMEDY THAN A 6 FINDING OF UNCLEAN HANDS AND DISMISSAL. 7 IN OTHER WORDS, AS WAS DONE IN THE 8 SCRIPPS CASE, I WOULD SUGGEST THAT YOU SHOULD APPLY 9 COLLATERAL ESTOPPEL TO THE EXCEPTIONAL CASE FINDING 10 FROM JUDGE PAYNE'S OPINION AND FIND THAT THERE WAS 11 SPOILIATION HERE AS ESTABLISHED UNDER THE DOCTRINE 12 OF COLLATERAL ESTOPPEL. 13 THEN WHAT I SUGGEST YOU SHOULD DO IS IF 14 YOU ASSUME THOSE FACTS WERE ESTABLISHED AS A MATTER 15 OF LAW AND THOSE FACTS HAVE BEEN RESOLVED, THEN YOU 16 CONSIDER, WELL, WHAT IS THE APPROPRIATE REMEDY 17 BASED ON THOSE FACTS? 18 AND I THINK SUMMARY JUDGMENT IS 19 APPROPRIATE BECAUSE I DON'T THINK THERE CAN BE ANY 20 LESSER REMEDY UNDER THE FACTS AS SET FORTH BY 21 JUDGE PAYNE THAN DISMISSAL FOR UNCLEAN HANDS. 22 SO I WOULD SUGGEST THAT, TO AVOID PUTTING 23 SAMSUNG THROUGH, OBVIOUSLY, A VERY EXPENSIVE AND 24 DIFFICULT LITIGATION, WHICH WOULD, FRANKLY, 25 UNDERLINE THE POLICY BEHIND COLLATERAL ESTOPPEL,</p>
<p style="text-align: right;">Page 43</p> <p>1 CONSIDERING THE FACTS OF THE CASE BEFORE IT ON 2 ATTORNEYS' FEES. 3 I WOULD SUBMIT TO YOU THAT THAT'S THE 4 APPROPRIATE ANALYSIS TO APPLY HERE, THAT, BECAUSE 5 UNDER JUDGE PAYNE'S RULING AS THE ISSUES WERE 6 PRESENTED TO HIM FOR DECISION AND AS HE DECIDED IT, 7 IT WOULD BE AN APPEALABLE ORDER IF JUDGE PAYNE WERE 8 RIGHT; THAT THAT ORDER IS ENTITLED TO COLLATERAL 9 ESTOPPEL EFFECT UNDER THE DOCTRINE OF MUTUAL 10 COLLATERAL ESTOPPEL PENDING APPEAL; THAT THAT ORDER 11 RESOLVED THE ISSUE OF SPOILIATION IN THIS CASE 12 BECAUSE, AS THE COURT AS CORRECTLY NOTED, THE 13 FAIRNESS DOCTRINE IS REALLY DESCRIBED, IN PARKLANE 14 HOSIERY, IN THE CONTEXT OF NON-MUTUAL COLLATERAL 15 ESTOPPEL AND OPERATING AS A CHECK ON THE TIMES WHEN 16 NON-MUTUAL COLLATERAL ESTOPPEL MAY RESULT IN AN 17 INEQUITABLE RESULT. 18 I, TOO, HAVE NOT SEEN A CASE WHERE THE 19 FAIRNESS DOCTRINE WAS EMPLOYED TO PREVENT THE 20 APPLICATION OF MUTUAL COLLATERAL ESTOPPEL, AND HERE 21 WE HAVE MUTUAL COLLATERAL ESTOPPEL. 22 SO I THINK THE COURT CAN AND SHOULD GRANT 23 SUMMARY JUDGMENT, AT LEAST AS TO THE SPOILIATION 24 PORTION OF THE MOTION. 25 I WOULD FURTHER SUBMIT THAT THE COURT</p>	<p style="text-align: right;">Page 45</p> <p>1 THAT INSTEAD WE RECOGNIZE THAT THE CURRENT 2 JUDGE PAYNE JUDGMENT AND ORDER, AS WRITTEN AND AS 3 DECIDED BY JUDGE PAYNE, IS UNDOUBTEDLY APPEALABLE 4 IF YOU WERE TO ACCEPT JUDGE PAYNE'S ANALYSIS AS 5 CORRECT THAT SECTION 285 IS -- A FINDING OF SECTION 6 285 EXCEPTIONAL CASE IS, IN FACT, A SANCTION. 7 AND THAT, I THINK, IS CLEARLY SET FORTH 8 AT THE END OF HIS OPINION. 9 AND THAT BEING SO, THEN IT IS ENTITLED TO 10 COLLATERAL ESTOPPEL EFFECT NOW. WE DON'T NEED TO 11 WAIT FOR THE APPEAL TO BE RESOLVED. 12 AND THEN, BASED ON THOSE FACTS AS 13 ESTABLISHED BY COLLATERAL ESTOPPEL, THERE IS NO 14 OTHER REALISTIC REMEDY BEYOND -- OTHER THAN 15 DISMISSAL. 16 AND TO PUT US THROUGH THE COST AND BURDEN 17 OF DISCOVERY AND MULTIPLE TRIALS WHILE WE WAIT FOR 18 A FEDERAL CIRCUIT DECISION WOULD UNDERMINE THE 19 PURPOSE OF COLLATERAL ESTOPPEL. 20 AND, IN FACT, THE COURTS HAVE DECIDED 21 THAT EVEN THOUGH THERE IS THAT RISK, THAT THE 22 RESULT MIGHT CHANGE ON THE FIRST JUDGMENT PENDING 23 APPEAL, THAT THAT RISK IS TO BE EXERCISED IN FAVOR 24 OF THE ENFORCEMENT OF THE FIRST JUDGMENT 25 NOTWITHSTANDING THE PENDENCY OF THE APPEAL.</p>

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1 THE COURT: BUT YOU WOULD AGREE,
2 OBVIOUSLY, IF THE FEDERAL CIRCUIT SAYS IT'S NOT
3 APPEALABLE, OR WERE TO REVERSE IT, THEN IT COULD
4 NOT BE APPLIED COLLATERALLY; RIGHT?
5 MR. HEALEY: I THINK OBVIOUSLY YOU'D WANT
6 TO SEE WHAT THE FEDERAL CIRCUIT SAID AND HELD
7 EXACTLY, BUT I THINK AS A GENERAL PROPOSITION
8 THAT'S CORRECT.
9 THE COURT: OKAY. MR. STONE, DID YOU
10 WANT TO COMMENT?
11 MR. STONE: THANK YOU, YOUR HONOR. I
12 WILL BE BRIEF.
13 I WASN'T SURE THAT I FULLY UNDERSTOOD THE
14 COURT'S INTENTION, AND I THOUGHT --
15 THE COURT: MY TENTATIVE INTENTION IS TO
16 DEFER IT.
17 MR. STONE: OKAY. THEN WHAT I DID AT
18 SOME POINT, IF WE EVER GOT TO THIS POINT, I WANTED
19 TO ADDRESS MR. HEALEY'S REPLY DECLARATION IN WHICH
20 HE AVERS TO THE TRUTH OF A SERIES OF STATEMENTS
21 REGARDING THE DIFFERENCES BETWEEN THE EVIDENTIARY
22 RECORD BEFORE JUDGE PAYNE AND THE EVIDENTIARY
23 RECORD HERE, AND AT SOME POINT IN TIME, IF WE WERE
24 TO CONSIDER AND REACH THAT ISSUE, I THINK THAT GOES
25 TO THE FAIRNESS PRONG.

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1 I WANT TO ADDRESS THE ISSUES RAISED IN
2 HIS DECLARATION, BECAUSE A NUMBER OF THEM ARE
3 DEMONSTRABLY UNTRUE, INCLUDING WITH RESPECT TO
4 EXHIBITS THAT HE SAYS WERE NOT ADMITTED IN THIS
5 TRIAL THAT WERE ADMITTED FOR PURPOSES OF HIS EFFORT
6 TO TRY TO DISTINGUISH THE TWO CASES.
7 BUT IF WE'RE GOING TO DEFER -- IF I COULD
8 DEFER THAT ISSUE, I DON'T -- THERE'S 24, I THINK,
9 ITEMS OF NEW EVIDENCE THAT HE ATTEMPTED TO PUT IN
10 IN HIS DECLARATION. I WILL WAIT MY RESPONSE ON
11 THOSE IF IT'S ACCEPTABLE.
12 BUT OTHERWISE I CAN ADDRESS EACH ONE OF
13 THEM AND FEEL, IF THIS IS MY ONLY CHANCE TO BE
14 HEARD, IT'S INCUMBENT UPON ME TO DO SO.
15 THE COURT: WHAT IS YOUR VIEW ON WHAT
16 HAPPENS IF THE FEDERAL CIRCUIT SAYS IT'S APPEALABLE
17 AND WE AFFIRM?
18 MR. STONE: I THINK IF THE FEDERAL
19 CIRCUIT SAYS IT'S APPEALABLE AND WE AFFIRM, THEN
20 YOU BECOME, I THINK, THE FIRST COURT TO CONFRONT
21 THE SITUATION IN WHICH WE QUESTION WHETHER THE
22 FAIRNESS DOCTRINE OF PARKLANE APPLIES IN A
23 SITUATION WHERE IT IS THE SAME PARTIES, BUT THE
24 ISSUES ARE DIFFERENT, AND IS THAT A SITUATION IN
25 WHICH YOU SHOULD THEN INVOKE THAT DOCTRINE?

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1 I THINK THAT'S -- YOU -- I DON'T KNOW OF
2 A CASE THAT ADDRESSES IT. I THINK THE QUESTION YOU
3 ASKED US AT THE OUTSET IS A FAIR QUESTION, AND IF
4 THERE IS A CASE, I MISSED IT. BUT I THINK YOU
5 ADDRESSED THAT ISSUE.
6 AND I THINK YOU ALSO CLEARLY ADDRESSED
7 THE QUESTION OF, EVEN IF THAT WERE TO HAPPEN AND
8 EVEN IF YOU WERE TO APPLY HIS FINDINGS HERE, WHAT'S
9 THE SCOPE OF THOSE FINDINGS, BECAUSE CLEARLY HE DID
10 NOT MAKE FINDINGS THAT WOULD COLLATERALLY ESTOP
11 THIS COURT SUCH THAT YOU HAD TO INVOKE THE REMEDY
12 THAT SAMSUNG ASKS FOR HERE.
13 AT MOST, YOU CAN SAY HE MADE A FINDING
14 THAT THERE WAS A SUFFICIENT FINDING OF SPOILIATION
15 TO GIVE RISE TO A CONCLUSION THAT IT SHOULD BE
16 CONSIDERED AN EXCEPTIONAL CASE.
17 BUT THAT FINDING IS VERY DIFFERENT FROM
18 ANY FINDING THAT THERE IS THE PREJUDICE THAT HAS
19 BEEN SUFFERED SUCH THAT YOU WOULD INVOKE THE REMEDY
20 THAT SAMSUNG SEEKS HERE.
21 SO I THINK WE WOULD REACH AT LEAST THOSE
22 TWO QUESTIONS, WHICH I THINK ARE TWO QUESTIONS YOU
23 ALSO IDENTIFIED AS ONES WE WOULD REACH.
24 THE COURT: WHAT IS THE STATUS OF THE
25 APPEAL?

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1 MR. STONE: I EXPECT IT WILL BE SET FOR
2 ARGUMENT IN THE FIRST SETTING IN JULY IS MY
3 EXPECTATION. IF NOT, IT WILL BE SET IN AUGUST, I
4 AM QUITE CONFIDENT.
5 THE COURT: OKAY.
6 MR. STONE: WE SHOULD KNOW THAT SOON.
7 I DID WANT TO, IF I COULD -- I DID WANT
8 TO RESPOND TO ONE THING THAT MR. HEALEY SAID, IF I
9 MIGHT.
10 MR. HEALEY'S ARGUMENT, WHICH IN SOME
11 RESPECTS I THOUGHT WAS A BIT CIRCULAR, STARTED AND
12 ENDED, THOUGH, WITH HIS COMMENT THAT WHAT WE SHOULD
13 DO IS LOOK AT WHAT JUDGE PAYNE HELD, AND HE SAYS
14 LET'S LOOK AT THE LANGUAGE IN THE ORDER.
15 AND I SUGGEST THAT'S A GOOD PLACE TO
16 START, BECAUSE IN 439 F.SUPP 2D IN THE VERY LAST
17 LINE, THAT'S AT PAGE 574, JUDGE PAYNE SAID,
18 "SAMSUNG'S MOTION FOR FINDING THAT SAMSUNG IS A
19 PREVAILING PARTY AND THE AWARD OF REASONABLE
20 ATTORNEYS' FEES, DOCKET NUMBER 87, AND SAMSUNG'S
21 MOTION TO FIND THIS AN EXCEPTIONAL CASE AND FOR
22 ATTORNEYS' FEES UNDER 35 U.S.C. SECTION 285, DOCKET
23 NUMBER 89, WILL BE DENIED."
24 SO THOSE TWO MOTIONS WERE DENIED, AND THE
25 ORDER FROM WHICH WE APPEALED, WHICH I DON'T THINK

<p style="text-align: right;">Page 50</p> <p>1 WAS IN THE PARTIES' EXHIBITS, BUT IT WAS, OF 2 COURSE, REFERENCED IN THE APPELLATE BRIEFS, AND I 3 HAVE A COPY, I KNOW MR. HEALEY'S SEEN IT, BUT THE 4 APPEAL FROM WHICH THE ORDER WAS TAKEN, JULY 18TH, 5 THE SAME DATE AS THAT ORDER, RULES ON BOTH OF THOSE 6 TWO MOTIONS, DOCKET NUMBERS 87 AND 89, AND 7 INDICATES THAT THEY ARE DENIED. THAT'S THE ORDER 8 FROM WHICH THE APPEAL WAS TAKEN. 9 SO THERE IS NO ORDER IN SAMSUNG'S FAVOR 10 ON EITHER SECTION 285 OR ON ITS PETITION FOR 11 ATTORNEYS' FEES. 12 THANK YOU. 13 THE COURT: ALL RIGHT. I AM GOING TO 14 DEFER ANY RULING ON THAT MOTION. 15 OKAY. THE NEXT MOTION THAT I WOULD LIKE 16 TO TAKE UP IS RAMBUS'S MOTION TO DISMISS SAMSUNG'S 17 COUNTERCLAIMS, AND THERE'S A COUPLE OF ISSUES I'D 18 PARTICULARLY LIKE YOU TO FOCUS ON. 19 I'M TRYING TO FIND A NOTE THAT I WROTE TO 20 MYSELF. 21 (PAUSE IN PROCEEDINGS.) 22 THE COURT: ONE THING I WOULD LIKE TO -- 23 I KNOW IT'S ADDRESSED BY SAMSUNG IN ITS PAPERS -- 24 BUT SPECIFICALLY WHY SAMSUNG WASN'T ON INQUIRY 25 NOTICE, AT LEAST BY 2000.</p>	<p style="text-align: right;">Page 52</p> <p>1 AGAINST THE FORMER CLIENT, OR, EXCUSE ME, BASED ON 2 STEINBERG'S REPRESENTATION OF A FORMER CLIENT? 3 IN OTHER WORDS, IS THERE A DIFFERENCE 4 BETWEEN THE DAMAGES RECOVERABLE ON THE THEORY THAT 5 RAMBUS AIDED AND ABETTED STEINBERG IN BREACHING A 6 FIDUCIARY DUTY TO AN EXISTING CLIENT, AND THE 7 DAMAGES THAT WOULD BE RECOVERABLE BASED ON 8 ASSISTING, OR BEING INVOLVED WITH STEINBERG'S 9 BREACH OF HIS FIDUCIARY DUTY TO A FORMER CLIENT? 10 I GUESS THOSE WOULD BE THE MAIN THINGS 11 I'D LIKE TO HEAR ADDRESSED. 12 ONE ASPECT OF THE COUNTERCLAIMS WHICH 13 REALLY IS SEPARATE FROM AN ISSUE THAT'S REALLY 14 RAISED IN THIS MOTION IS THAT ONE OF THE CLAIMS IS 15 THAT RAMBUS WAS GUILTY OF A 17200 VIOLATION BY 16 SEEKING PATENT COVERAGE THAT'S BROADER THAN THE 17 PATENT DISCLOSURE, OR, I GUESS, THAN THE ORIGINAL 18 SPECIFICATION. 19 I'M CURIOUS AS TO HOW THAT CONSTITUTES A 20 BUSINESS AND PROFESSIONS CODE VIOLATION IN THE 21 FIRST PLACE, AND MAYBE THAT'S NOT REALLY RAISED IN 22 THIS MOTION. 23 BUT, MR. STONE, IT'S YOUR MOTION. YOU 24 WANT TO SPEAK FIRST? 25 MR. STONE: THANK YOU, YOUR HONOR.</p>
<p style="text-align: right;">Page 51</p> <p>1 AT THAT POINT IN TIME, SAMSUNG KNEW THAT 2 STEINBERG WAS WORKING FOR RAMBUS; SAMSUNG KNEW THAT 3 STEINBERG HAD CONFIDENTIAL SAMSUNG INFORMATION 4 USEFUL FOR DEVELOPING THE NEW RAMBUS PATENTS 5 COVERING THE SAMSUNG PRODUCTS; STEINBERG WAS 6 INVOLVED IN PATENT PROSECUTION AND LICENSING FOR 7 RAMBUS AND THAT WAS KNOWN, INCLUDING EFFORTS TO 8 OBTAIN AND ENFORCE PATENTS COVERING SAMSUNG'S 9 PRODUCTS; RAMBUS HAD OBTAINED SUCH PATENTS; AND 10 RAMBUS HAD ASSERTED THOSE PATENTS AGAINST SAMSUNG 11 AND SAMSUNG HAD AGREED TO PAY ROYALTIES UNDER A 12 LICENSE AGREEMENT. 13 I'M NOT SURE I SEE WHY THAT DOESN'T PUT 14 RAMBUS ON -- I MEAN SAMSUNG ON AT LEAST INQUIRY 15 NOTICE. 16 ALSO, I'M CURIOUS IF THERE'S A BASIS FOR 17 SAYING THAT THE STATUTE HAS RUN WITH RESPECT TO 18 SAMSUNG'S CLAIM AGAINST A FORMER CLIENT. 19 IT DOESN'T APPEAR CLEAR THAT RAMBUS, 20 EXCUSE ME, THAT SAMSUNG DID NOT KNOW UNTIL THE TIME 21 PERIOD WITHIN THE STATUTE THAT STEINBERG HAD WORKED 22 FOR RAMBUS AND SAMSUNG AT THE SAME TIME. 23 AND IF THAT'S THE CASE, WOULD THERE BE 24 DAMAGES ARISING OUT OF THAT CLAIM THAT WOULD BE 25 SEPARATE FROM DAMAGES ARISING OUT OF A CLAIM</p>	<p style="text-align: right;">Page 53</p> <p>1 I THINK THE COURT HAS CORRECTLY 2 IDENTIFIED THE FACTS WHICH WERE KNOWN TO SAMSUNG AS 3 OF 2000 THAT PUT SAMSUNG ON INQUIRY NOTICE. 4 THE ONLY ADDITIONAL FACT WHICH I THINK 5 WAS PROBABLY SUBSUMED WITHIN WHAT YOU SUMMARIZED 6 EARLIER WAS THAT THEY ALSO KNEW THAT MR. STEINBERG 7 HAD BEEN INVOLVED IN PROSECUTING THE PATENTS THAT 8 HAD GIVEN RISE TO SOME OF THE CLAIMS THAT ROYALTIES 9 SHOULD BE PAID ON, SDRAM AND DDR PARTS. 10 THOSE WERE PATENTS, INDEED, THAT ARE 11 REFERENCED IN THE SECOND AMENDED ANSWER AS SOME OF 12 THE PATENTS ON WHICH THEY SEEK RELIEF, AND THOSE 13 WERE THE PATENTS THAT ALSO WERE INVOLVED IN THE 14 LITIGATION AND WERE ONES WITH WHICH MR. STEINBERG 15 HAD BEEN INVOLVED IN THE PROSECUTION. 16 SO THAT'S ONE ADDITIONAL FACT THAT WAS 17 KNOWN TO THEM AT THE TIME THAT MR. STEINBERG 18 NEGOTIATED WITH SAMSUNG FOR A LICENSE AGREEMENT FOR 19 SDRAM AND DDR, AND ULTIMATELY WAS THE SIGNATOR ON 20 THAT LICENSE AGREEMENT. 21 SO THAT INFORMATION WAS ALL KNOWN, AND I 22 THINK THAT INFORMATION, AS THE COURT NOTES, IS THE 23 KIND OF INFORMATION THAT IF YOU THOUGHT, AS SAMSUNG 24 ALLEGES, AND THEY ALLEGE THIS MOST CLEARLY, AND 25 MAYBE THE ONLY PLACE THEY MAKE CLEAR WHAT IT IS THE</p>

<p style="text-align: right;">Page 54</p> <p>1 CLAIM IS OF HOW THEY WERE INJURED IS AT PARAGRAPH 2 109 OF THE SECOND AMENDED ANSWER IN THE SAMSUNG 3 ONLY CASE. IT'S A DIFFERENT PARAGRAPH NUMBER IN 4 THE DDR 2 CASE, AND I APOLOGIZE, I DON'T HAVE THAT 5 PARAGRAPH NUMBER IN MIND. 6 BUT WHAT THEY SAID WAS, "RAMBUS'S CHANGE 7 IN PATENT POSTURE," AND THEY DESCRIBE IN JUST A 8 MOMENT IN THE ALLEGATIONS WHAT THAT MEANS, 9 "RAMBUS'S CHANGE IN PATENT POSTURE IS EVIDENCE OF 10 MR. STEINBERG'S REVELATIONS OF SAMSUNG CONFIDENTIAL 11 INFORMATION TO RAMBUS. 12 "BEFORE MR. STEINBERG WAS REQUESTED TO 13 BREACH HIS FIDUCIARY AND CONTRACTUAL DUTIES TO 14 SAMSUNG AND DISCLOSE SAMSUNG INFORMATION TO 15 MR. KARP AND RAMBUS IN 1997 AND 1998," ALLEGATIONS 16 WHICH I KNOW THE COURT UNDERSTANDS WE DISPUTE AND 17 WILL DISPROVE IF WE HAVE TO, "RAMBUS'S PATENT 18 CLAIMS WERE FOCUSED ON RAMBUS'S OWN PROPRIETARY 19 RDRAM TECHNOLOGY. 20 "UP UNTIL THAT TIME, MOREOVER, RAMBUS'S 21 PATENT PORTFOLIO WAS NOT ASSERTED AGAINST FEATURES 22 OF DRAMS MADE BY SAMSUNG." 23 AND THEN THEY SAY, "AS A RESULT OF 24 MR. STEINBERG'S DISCLOSURES TO RAMBUS, HOWEVER, 25 RAMBUS WAS ABLE TO DRAFT NEW PATENT CLAIMS THAT</p>	<p style="text-align: right;">Page 56</p> <p>1 SO IF WE LOOK AT THE ALLEGATIONS TO SEE 2 WHAT'S THE HARM ALLEGED, THE HARM ALLEGED HERE IS 3 EXACTLY THE SAME: NAMELY, THE USE OF THIS 4 INFORMATION TO ALLEGEDLY ENABLE RAMBUS TO DRAFT 5 CLAIMS THAT WOULD COVER PRODUCTS BROADER THAN JUST 6 RDRAM. 7 SO WE SEE THE SAME ELEMENT OF WRONG, THE 8 SAME CONTENTION OF WRONG OR INJURY THAT WAS 9 SUFFERED GIVING RISE TO THE SAME REMEDY WHICH IS 10 SOUGHT, BECAUSE, OF COURSE, THE REMEDY SOUGHT HERE 11 IS THE SAME UNDER EACH OF THESE COUNTS: NAMELY, A 12 DETERMINATION THAT SAMSUNG SHOULD – THAT ALL THESE 13 PATENTS SHOULD BE UNENFORCEABLE AND SAMSUNG SHOULD 14 GET MONEY BACK. 15 SO BOTH THE REMEDY THEY SEEK AND THE 16 WRONG OF WHICH THEY COMPLAIN ARE THE SAME FOR THE 17 TWO, SO I THINK THERE'S NO QUESTION THAT IF YOU'RE 18 ON NOTICE OF THE WRONG, YOU ARE ON NOTICE TO 19 INVESTIGATE, NOT NECESSARILY KNOW AT THAT POINT, 20 ALL THE LEGAL THEORIES, BUT YOU ARE THEN ON NOTICE 21 THAT YOUR CONFIDENTIAL INFORMATION, AS THEY ALLEGE 22 IT, WAS USED BY RAMBUS TO CHANGE ITS PATENT 23 POSTURE. 24 SO IN THAT SENSE, I THINK THEIR OWN 25 PLEADING MAKES CLEAR, BOTH AS A MATTER OF</p>
<p style="text-align: right;">Page 55</p> <p>1 RAMBUS NOW ALLEGES ARE INFRINGED BY SAMSUNG DRAM 2 PRODUCTS." 3 SO THERE WE HAVE THE CLEAR STATEMENT THAT 4 IT WAS RAMBUS'S CHANGE IN PATENT POSTURE THAT IS 5 EVIDENCE OF MR. STEINBERG'S REVELATIONS, AS ALLEGED 6 BY SAMSUNG, OF SAMSUNG CONFIDENTIAL INFORMATION TO 7 RAMBUS. 8 WELL, THEY KNEW THAT CHANGE IN PATENT 9 POSTURE CERTAINLY BY 2000 WHEN THE NEGOTIATIONS 10 COMMENCED. 11 SO I THINK THAT'S CLEAR. I THINK THEIR 12 OWN ADMISSIONS AND ALLEGATIONS IN THEIR SECOND 13 AMENDED ANSWER MAKE THAT CLEAR. 14 WITH RESPECT TO THE ISSUE OF WHETHER 15 THERE IS A DIFFERENCE BETWEEN THE, LET'S SAY THE 16 FOURTH COUNT OF THE ANSWER AND THE FIFTH COUNT, ONE 17 IS THE CURRENT EMPLOYMENT AND THE, AND DUAL 18 EMPLOYMENT BY SAMSUNG AND RAMBUS, AND THE 19 EMPLOYMENT BY RAMBUS AFTER HE'D LEFT THE SAMSUNG 20 EMPLOYMENT, THERE'S A COUPLE OF THINGS THAT ARE 21 CLEAR. 22 FIRST, AS A MATTER OF PLEADING, ALL OF 23 THE ALLEGATIONS THAT PERFORM, PROVIDE THE BASIS FOR 24 THOSE CLAIMS ARE THE SAME. THERE'S COMPLETE 25 IDENTITY IN THE ALLEGATIONS.</p>	<p style="text-align: right;">Page 57</p> <p>1 PROCEDURE, IT'S ALL THE SAME ALLEGATIONS FOR EACH 2 CLAIM, AND AS A MATTER OF CLEAR FACT AND INFERENCE, 3 THAT THE SAME WRONG AND THE SAME ALLEGED DAMAGES 4 FLOWED FROM THE TWO LEGAL THEORIES SO THAT THEY 5 WERE ON NOTICE AS TO BOTH. 6 I AGREE WITH YOUR HONOR – THE QUESTION 7 YOUR HONOR ASKED IS PROBABLY NOT ONE MAYBE WE 8 SHOULD HAVE FRAMED IT FOR THESE PURPOSES. I THINK 9 WE ADDRESSED THE 17200 CLAIM HERE JUST IN TERMS OF 10 STATUTE OF LIMITATIONS. 11 BUT I THINK THE LAW IS CLEAR THAT THE 12 CLAIM WITH RESPECT TO WHETHER OR NOT THE PATENT 13 CLAIMS THAT WERE ULTIMATELY ISSUED ARE OR ARE NOT 14 SUPPORTED BY THE SPECIFICATION, AN ARGUMENT I KNOW 15 YOUR HONOR IS FAMILIAR WITH AND THAT WE TRIED HERE 16 ALREADY ONCE, THAT ARGUMENT IS – FEDERAL LAW 17 PREEMPTS WITH RESPECT TO THAT ARGUMENT. THAT DOES 18 NOT GIVE RISE TO A CLAIM UNDER 17200. 19 AND AT THE APPROPRIATE TIME, WE CAN BRIEF 20 THAT ISSUE IF NEED BE. 21 THE COURT: WOULD YOU NOT AGREE THAT – 22 LET'S ASSUME, AND I'M GOING TO GIVE YOU A HYPO 23 THAT'S CLEARLY NOT THIS FACT, OR THIS CASE – BUT 24 IF, DURING THE TIME THAT STEINBERG IS ALLEGED TO 25 HAVE BEEN EMPLOYED BY BOTH RAMBUS AND SAMSUNG, IF</p>

1 HE HAD TAKEN CONFIDENTIAL INFORMATION, GIVEN IT TO
2 RAMBUS, RAMBUS GOT A PATENT ON THAT PARTICULAR
3 TECHNOLOGY, THEN AFTER HE LEFT, HE USED INFORMATION
4 ABOUT A DIFFERENT TECHNOLOGY THAT HE LEARNED AT
5 SAMSUNG AND APPLIED FOR PATENTS ON THIS DIFFERENT
6 TECHNOLOGY, AND LET'S SAY WITH RESPECT TO THE
7 SECOND ONE SAMSUNG HAD ACTUAL KNOWLEDGE, BUT AS TO
8 THE FIRST ONE THEY DIDN'T KNOW HE EVER WORKED FOR
9 RAMBUS WHILE HE WAS WORKING FOR SAMSUNG AND THEY
10 DIDN'T KNOW THAT HE'D USED THIS DIFFERENT
11 TECHNOLOGY TO GET A PATENT FOR RAMBUS, WOULDN'T
12 THERE BE SEPARATE CLAIMS, ONE OF WHICH WOULD BE
13 BARRED AND THE OTHER OF WHICH WOULD NOT BE?

14 MR. STONE: I THINK IF -- I THINK I AGREE
15 WITH YOUR HYPOTHETICAL, IF I UNDERSTAND IT
16 CORRECTLY.

17 IF YOU TAKE TWO SEPARATE PIECES OF
18 CONFIDENTIAL INFORMATION AT DIFFERENT POINTS IN
19 TIME AND YOU USE THEM IN DIFFERENT WAYS TO ACHIEVE
20 DIFFERENT, IMPROPER RESULTS AND SOMEBODY LEARNS OF
21 ONE IMPROPER RESULT, BUT NOT THE OTHER IMPROPER
22 RESULT AND HAS NO REASON TO SUSPECT THE OTHER
23 IMPROPER RESULT, THEN I AGREE WITH YOU.

24 I THINK WHAT WE HAVE HERE, AND I -- I
25 THINK WE HAVE THE SAME RESULT. THE SAME RESULT IS

1 ALLEGED TO HAVE OCCURRED AS THE RESULT OF BOTH SETS
2 OF CONDUCT.

3 SO, AS WE KNOW, UNDER LIBERAL PLEADING,
4 ALL YOU HAVE TO DO IS PLEAD YOU'RE ENTITLED TO
5 RELIEF, OR RECOVERY FOR A WRONG THAT YOU HAVE
6 SUFFERED, AND HERE IT'S A SINGLE WRONG THAT THEY
7 CLAIM TO HAVE SUFFERED, AND WHEN AT THAT MOMENT
8 THAT THEY REALIZED, IN 2000, THAT, OH MY GOSH,
9 RAMBUS HAS NOW GOTTEN CLAIMS ON PRODUCTS OTHER THAN
10 RDRAM AND, THEREFORE, WE CONCLUDE IN OUR MINDS THAT
11 WE'VE BEEN WRONGED, IT'S NOT NECESSARY TO KNOW
12 WHETHER THAT'S THE RESULT OF MR. STEINBERG GIVING
13 INFORMATION, WHILE AN EMPLOYEE OR AFTER AN
14 EMPLOYEE, OF HIM SELLING THE INFORMATION TO SOME
15 THIRD PARTY WHO GAVE IT TO RAMBUS, OR ANY OF
16 ANOTHER SERIES OF WAYS IN WHICH THE INFORMATION, AS
17 SAMSUNG ALLEGES IT, I KNOW YOU UNDERSTAND I'M NOT
18 AGREEING WITH ANY OF THIS, BUT FOR PURPOSES OF
19 ARGUMENT, IT DOESN'T MATTER REALLY HOW THE
20 INFORMATION GOT TO RAMBUS, WHETHER IT WENT DIRECTLY
21 OR THROUGH THIRD PARTY INTERMEDIARIES OR ANYTHING.

22 WHAT MATTERS IS, AT THAT POINT IN TIME,
23 THEY WERE ON NOTICE OF CONDUCT WHICH THEY TELL US
24 MADE THEM VERY SUSPICIOUS, BECAUSE THEY TELL US IN
25 THEIR PLEADING, WE BECAME VERY SUSPICIOUS WHEN WE

1 REALIZED THAT RAMBUS'S PATENT POSITION OR POSTURE
2 HAD CHANGED.

3 SO AT THAT POINT IN TIME, THEY'RE ON
4 NOTICE TO GO AND INVESTIGATE HOW THAT WRONG, AS
5 THEY ALLEGE IT, OCCURRED.

6 SO I THINK THAT'S THE DIFFERENCE BETWEEN
7 THE HYPOTHETICAL. IF YOU HAVE TWO SEPARATE WRONGS
8 AND TWO SEPARATE EVENTS GIVING RISE TO THE WRONG,
9 THERE'S NO REASON TO THINK THAT ONE WRONG MIGHT PUT
10 YOU ON NOTICE TO INVESTIGATE THE OTHER WRONG.

11 BUT IF YOU HAVE A SINGLE WRONG, YOU'RE ON
12 DUTY TO INVESTIGATE THE VARIOUS WAYS IN WHICH THE
13 INFORMATION THAT YOU CONTEND WAS IMPROPERLY USED
14 WAS PASSED FROM MR. STEINBERG DIRECTLY OR
15 INDIRECTLY TO RAMBUS.

16 THE COURT: IF YOU BELIEVE, AS I
17 UNDERSTAND YOU DO, THAT, IN ESSENCE, STEINBERG DID
18 NOTHING WRONG AND DIDN'T USE SAMSUNG CONFIDENTIAL
19 INFORMATION FOR THE BENEFIT OF RAMBUS, WHY COULDN'T
20 SAMSUNG HAVE BELIEVED THAT ALSO UNTIL SUCH TIME AS
21 THE SPOILIATION TRIAL?

22 MR. STONE: THE -- WELL, THE SPOILIATION
23 TRIAL REVEALED NOTHING IN THIS REGARD, AND WE KNOW
24 THAT BECAUSE THEY ALLEGE THAT THEY KNEW THE CHANGE
25 IN RAMBUS'S PATENT POSTURE WAS WHAT PUT THEM ON

1 NOTICE, BECAUSE THEY TELL US, IN THEIR PLEADING,
2 WHICH FOR PURPOSES OF THIS MOTION WE TAKE AS TRUE,
3 THEY TELL US, WE SAW FROM RAMBUS'S CHANGE IN PATENT
4 POSTURE THAT OUR INFORMATION HAD BEEN USED.

5 AND SO THEY ARE THE ONES WHO TELL US THEY
6 HAD THOSE SUSPICIONS.

7 SO THEY MAKE VERY PLAIN, AS I THINK THEY
8 MUST GIVEN THE FACTS OF THE SITUATION AND THEIR OWN
9 CONDUCT AT THE TIME, THEY MAKE VERY PLAIN THAT IT
10 IS THAT EVENT, AS I SAID IN PARAGRAPH 109 OF THE
11 SECOND AMENDED ANSWER, THAT MAKES IT PARTICULARLY
12 CLEAR.

13 AND THERE WAS NOTHING THAT THEY POINT TO
14 THAT COMES OUT IN THE INFINEON TRIAL THAT RAISES
15 THESE ISSUES.

16 THEY SAY WHAT THEY LEARNED ABOUT THEN WAS
17 THAT RAMBUS HAD ENGAGED IN, THEY CONTEND, THE
18 SECOND -- THEY HAVE TO PUT IT TO THE SECOND
19 INFINEON TRIAL, SO SPOILIATION, BECAUSE THEY KNEW
20 ALREADY ALL THE ISSUES ABOUT JEDEC AND ALL THE
21 ISSUES ABOUT EXPANSION OF THE CLAIMS AND ALL THE
22 ISSUES ABOUT WRITTEN SPECIFICATION, AND ALL THOSE
23 CLAIMS THAT ARE PART OF THEIR CASE NOW WERE ALL
24 KNOWN TO THEM IN 1999 OR 2000 WHEN THEY LEARNED AND
25 LOOKED AT ALL OF THE PLEADINGS FROM HITACHI AND

<p style="text-align: right;">Page 62</p> <p>1 HYNIX AND MICRON AND OTHER CASES. 2 THE COURT: OKAY. 3 MR. STONE: THANK YOU. 4 THE COURT: WHICH ATTORNEYS ARE GOING? 5 MR. POWERS: I GET THIS ONE, YOUR HONOR. 6 IF I MAY, I'D LIKE TO -- 7 THE COURT: HOLD ON JUST A SECOND. 8 (PAUSE IN PROCEEDINGS.) 9 MR. POWERS: IF I MAY, I'D LIKE TO BEGIN 10 EXACTLY WHERE YOU LEFT OFF WITH MR. STONE, WHICH IS 11 THE QUESTION OF WHAT WAS KNOWN IN 2005 THAT WASN'T 12 KNOWN IN 2000 ON THE QUESTIONS REGARDING 13 MR. STEINBERG'S POST-AUGUST 1998 CONDUCT. 14 THE CRUX OF MR. STONE'S ARGUMENT IS THAT 15 PARAGRAPH 109 OF THE SAMSUNG ONLY COMPLAINT ADMITS 16 THAT THE CHANGE IN POSTURE IN, OR POSITION OR 17 APPROACH, IN THE RAMBUS PATENT PORTFOLIO WAS NOTICE 18 TO SAMSUNG, AND THAT THAT'S -- AND THAT SAMSUNG WAS 19 AWARE, BY VIRTUE OF THAT CHANGE IN APPROACH, IN 20 2000, OF MR. STEINBERG'S ROLE. 21 YOUR HONOR CAN READ PARAGRAPH 109 AS MANY 22 TIMES AS YOU WISH AND YOU WILL NOT FIND THAT 23 STATEMENT. 24 THE ARGUMENT THAT IS MADE IN PARAGRAPH 25 109 HAS NOTHING TO DO WITH NOTICE TO SAMSUNG OR</p>	<p style="text-align: right;">Page 64</p> <p>1 MADE VERY CLEAR THAT MR. STEINBERG WAS FRONT AND 2 CENTER IN CHANGING RAMBUS'S APPROACH TO CLAIMING, 3 AND CHANGING IT IN A WAY WHICH WAS DIRECTED AT 4 SAMSUNG. 5 SO PUTTING ASIDE THE FIDUCIARY ROLE OF 6 THIS, AND I WANT TO GET TO THAT IN NOT TOO LONG, 7 BUT PUTTING ASIDE THE WAY -- THE FACT THAT A 8 FIDUCIARY RELATIONSHIP CHANGES THE INQUIRY NOTICE 9 STANDARD -- LET'S PUT THAT TO ONE SIDE FOR A MINUTE 10 AND EVEN ASSUME THAT DIDN'T EXIST AT ALL -- THERE 11 IS NO BASIS IN THE LAW TO ASSUME THAT MERELY 12 BECAUSE AN EMPLOYEE LEAVES SAMSUNG AND GOES TO 13 RAMBUS, THAT THAT EMPLOYEE HAS ACTED IMPROPERLY. 14 IN FACT, THE LAW OF CALIFORNIA IS TO THE 15 OPPOSITE. THE LAW OF -- CALIFORNIA LAW HAS 16 REJECTED INEVITABLE DISCLOSURE AS A DOCTRINE AND 17 SAID YOU MAY NOT ASSUME THAT. 18 SO IT WOULD BE IMPROPER IN THE EXTREME TO 19 SAY THAT A THEORY UPON WHICH WE COULD NOT HAVE SUE 20 IN 2000, I.E., INEVITABLE DISCLOSURE, IS NOW THE 21 BASIS FOR BARRING US FROM SUTING NOW WHEN WE DO 22 UNDERSTAND WHAT HE DID. 23 THAT TENSION IS A TENSION WHICH DESTROYS 24 THEIR CLAIM OF KNOWLEDGE IN 2000, BECAUSE WHEN YOU 25 ADD UP THE FACTS IN 2000, AS YOU LISTED AND AS</p>
<p style="text-align: right;">Page 63</p> <p>1 THAT SAMSUNG WAS AWARE OR THAT SAMSUNG, I BELIEVE 2 MR. STONE'S WORDS WERE, WAS VERY CONCERNED. 3 NONE OF THAT APPEARS IN PARAGRAPH 109 ON 4 WHICH HE RELIES. 5 WHAT PARAGRAPH 109 SAYS IS THAT THE 6 CHANGE IN POSITION IS EVIDENCE OF MR. STEINBERG'S 7 ROLE. 8 AND THAT IS TRUE. IT IS EVIDENCE WHICH 9 NOW MAKES SENSE GIVEN WHAT WE LEARNED IN 2005. 10 WHAT WE DIDN'T KNOW IN 2000 WHAT 11 MR. STEINBERG'S ROLE WAS IN PROSECUTION AND WHAT 12 HIS ACTIONS WERE. 13 YOUR HONOR'S LIST OF WHAT WE KNEW IN 14 2000, I THINK, IS ACCURATE. 15 WHAT IS CONSPICUOUSLY MISSING IS SOME 16 AWARENESS OF AN IMPROPER ACT BY MR. STEINBERG. HE 17 CAN BE INVOLVED IN PATENT PROSECUTION IN A WAY THAT 18 HAS NOTHING TO DO WITH THE USE OF SAMSUNG 19 CONFIDENTIAL INFORMATION, PRIVILEGED INFORMATION, 20 HIS ROLE CAN BE LIMITED, HIS ROLE CAN BE LARGE, HIS 21 ROLE CAN BE STRATEGIC, HIS ROLE CAN NOT BE. 22 WHAT WAS LEARNED IN 2005, AND WHAT WAS 23 LEARNED AS A RESULT OF THE DOCUMENTS THAT RAMBUS 24 WAS FORCED FINALLY TO REVEAL AND PRODUCE BY THE 25 2004 CRIME FRAUD RULE, WAS A SET OF DOCUMENTS THAT</p>	<p style="text-align: right;">Page 65</p> <p>1 LISTED IN THEIR BRIEF, ALL THAT IS IS AN INEVITABLE 2 DISCLOSURE THEORY. THAT IS ALL IT IS. 3 AND PUTTING ASIDE THE NATURE OF HIS 4 FIDUCIARY OBLIGATIONS AND THE ATTENDANT ASSUMPTIONS 5 AND BURDENS THAT THAT PLACES UPON RAMBUS AND HIM, 6 PUTTING THAT ASIDE, IT IS REALLY JUST A DOCTRINE, A 7 THEORY OF INEVITABLE DISCLOSURE WHICH IS REJECTED. 8 AND WHAT IS NOT KNOWN, AND WHAT WAS KNOWN 9 IN 2005, IS HIS ROLE, AND THE INTERNAL DOCUMENTS 10 ARE EXTREMELY REVEALING AND I KNOW YOUR HONOR HAS 11 SEEN SEVERAL OF THEM, THEY ARE REVEALING IN THE 12 EXTREME AS TO WHAT HIS ROLE WAS IN A WAY THAT WE 13 DIDN'T KNOW, AND HOW HE WAS OPERATING UNDER THAT 14 ROLE IN A WAY THAT WE DIDN'T KNOW. 15 THOSE WERE ALL CONFIDENTIAL DOCUMENTS 16 THAT THEY WITHHELD, IMPROPERLY, AND THAT THEY WERE 17 FORCED TO PRODUCE AS A RESULT OF THE 2004 ORDER, 18 CLEARLY WITHIN THE TIME PERIOD WE'RE TALKING ABOUT 19 HERE, CLEARLY WITHIN THE LIMITATIONS PERIOD, AND 20 WHICH CAME TO LIGHT IN HIS TESTIMONY IN THE 2005 21 TRIAL. 22 AND I THINK IT'S -- IT IS WORTH KNOWING, 23 WORTH NOTING, IN ADDITION, THIS IS ALL REALLY 24 RELEVANT TO THE DISCOVERY RULE, IT IS WORTH NOTING 25 IN ADDITION THAT MR. STEINBERG LIED, UNDER OATH, IN</p>

<p style="text-align: right;">Page 66</p> <p>1 DEPOSITION IN 2001 ABOUT WHAT HIS ROLE WAS AND WHAT 2 HE DID AND WHEN HE DID IT. 3 HE LIED. HE ADMITTED HE LIED. HE LIED 4 BECAUSE HE THOUGHT HE COULD GET AWAY WITH IT 5 BECAUSE THE DOCUMENTS THAT SHOWED HE LIED WERE 6 BEING WITHHELD UNDER THE ATTORNEY-CLIENT PRIVILEGE 7 IMPROPERLY. 8 AND WHEN THOSE DOCUMENTS WERE FORCED TO 9 BE PRODUCED, HE THEN SAID, "OOPS, NOW I'VE GOT A 10 DIFFERENT STORY." 11 AND I THINK ANY ASSUMPTION OF THIS 12 HEARING ABOUT MR. STEINBERG'S VERACITY, WHEN HE'S 13 BEEN FOUND BY ANOTHER FEDERAL JUDGE TO HAVE LIED 14 REPEATEDLY, AN ASSUMPTION ABOUT HIS VERACITY WHICH 15 THEIR MOTION MAKES SEVERAL TIMES I THINK WOULD BE 16 IMPROPER. 17 THIS IS A MAN WHO LIED, AND ULTIMATELY 18 ADMITTED HE LIED, AND WAS FOUND TO HAVE LIED MORE. 19 AND I KNOW YOUR HONOR HAS NOTED IN YOUR 20 JANUARY RULING, IN YOUR JANUARY ORDER THE 21 DISTURBING NATURE OF THE ALLEGATIONS OF A FORMER 22 ATTORNEY DOING WHAT THEY'RE DOING. 23 AND I KNOW YOU'RE AWARE OF THE LAW THAT 24 SAYS THE PURPOSE OF THE DISCOVERY RULE IS TO 25 PREVENT PEOPLE WHO DO THINGS LIKE THAT FROM GETTING</p>	<p style="text-align: right;">Page 68</p> <p>1 THAT HE HAD BEEN IMPROPER BEFORE HE LEFT. 2 THE COURT: I AGREE WITH THAT. 3 MR. POWERS: SO -- AND THAT'S -- AND WHEN 4 WE START FROM THAT PREMISE AND ADD THE SECOND 5 PREMISE THAT IS ALSO, I THINK, UNDISPUTABLE, THAT 6 IT IS PER SE IMPROPER WHAT HE DID, PER SE, HERE'S A 7 MAN WHO IS -- 8 THE COURT: YOU DON'T HAVE TO CONVINCE ME 9 THAT -- 10 MR. POWERS: OKAY. 11 THE COURT: -- SOMEBODY, IF IN FACT 12 THEY'RE EMPLOYED BY ONE COMPANY UNDER AN AGREEMENT 13 THAT THEY'RE NOT TO WORK FOR ANOTHER AND THEN WORKS 14 FOR THE OTHER, IS TOTALLY IMPROPER. 15 MR. POWERS: I THINK THOSE TWO 16 ASSUMPTIONS, THEN, END THE INQUIRY AS TO THE 17 PRE-'98 CONDUCT. 18 AND WE'VE HAD NO DISCOVERY ON WHAT THAT 19 WAS. WE HAVEN'T BEEN ABLE TO PROBE HIM IN 20 DEPOSITION AS TO WHAT HE SAID AND DIDN'T SAY. 21 WE KNOW HE WAS TALKING TO MR. KARP THREE 22 OR FOUR TIMES A WEEK AT EXACTLY THE TIME -- 23 THE COURT: LET'S ASSUME -- AGAIN, I'LL 24 GIVE YOU A HYPO THAT'S NOT THIS CASE. 25 LET'S ASSUME THAT YOU DID NOT KNOW THAT</p>
<p style="text-align: right;">Page 67</p> <p>1 AWAY WITH IT WHEN THE INFORMATION THAT SHOWS HOW 2 NEFARIOUS THEY WERE IS TRULY WITHIN THEIR CONTROL 3 AND DIFFICULT TO FIND. 4 HERE HE WAS LYING UNDER OATH ABOUT WHAT 5 HE DID. HE WAS KEEPING, IMPROPERLY, DOCUMENTS FROM 6 BEING PRODUCED THAT DESCRIBED WHAT HE DID. 7 AND NOW RAMBUS IS SAYING THAT WE SHOULD 8 NOT BE ALLOWED TO BRING A CLAIM FOR CONDUCT THAT IS 9 GROTESQUE BECAUSE WE SHOULD HAVE BELIEVED OR 10 THOUGHT THAT OUR LAWYER HAD ACTED IMPROPERLY WHEN 11 HE TESTIFIED UNDER OATH THAT HE HADN'T. 12 THAT CLAIM SEEMS ABSURD TO ME. THAT'S 13 ISSUE ONE. 14 I'D LIKE TO GO TO THE ISSUES AS YOUR 15 HONOR FRAMED THEM AND RESPOND TO THEM DIRECTLY. 16 ON THE FIRST QUESTION, WHY DID THOSE 17 FACTS NOT PUT US ON INQUIRY NOTICE, I THINK I'VE 18 ADDRESSED THAT IN PART. 19 BUT I DO WANT TO NOTE THAT I BELIEVE THAT 20 QUESTION APPLIES ONLY TO THE POST-AUGUST 1998 21 QUESTION. 22 PRE-AUGUST 1998, THERE IS NO, NOTHING IN 23 THE FACTS THAT YOUR HONOR LISTED, OR THAT THEY'VE 24 LISTED IN THEIR MOTION, AND I BELIEVE YOUR HONOR 25 ACKNOWLEDGED THIS, WHICH WOULD PUT US ON ANY NOTICE</p>	<p style="text-align: right;">Page 69</p> <p>1 HE WAS WORKING WITH RAMBUS AT THE TIME HE WAS 2 EMPLOYED BY SAMSUNG AND THAT HE DISCLOSED 3 CONFIDENTIAL INFORMATION TO RAMBUS. 4 BUT AFTER HE LEFT, YOU LEARNED THAT AFTER 5 HE LEFT, HE DISCLOSED CONFIDENTIAL INFORMATION ON 6 THE SAME SUBJECT AND YOU DIDN'T SUE FOR -- WITHIN 7 THE STATUTE OF LIMITATIONS AFTER YOU LEARNED THAT 8 KNOWLEDGE. 9 WOULD YOU HAVE ANY CLAIM? 10 MR. POWERS: ARE YOU ASSUMING THAT AS TO 11 THE SECOND DISCLOSURE, THE FIDUCIARY DUTY RULE 12 DOESN'T APPLY, OR THE DISCOVERY RULE DOESN'T APPLY, 13 FRAUDULENT CONCEALMENT DOESN'T APPLY, THAT THE 14 STATUTE BARS, FOR WHATEVER REASON, ON A DIFFERENT 15 SET OF FACTS -- 16 THE COURT: WHAT I'M SAYING IS WHEN HE'S 17 WORKING FOR BOTH SAMSUNG AND RAMBUS, HE DISCLOSES 18 CONFIDENTIAL SAMSUNG INFORMATION TO RAMBUS. YOU 19 DON'T LEARN THAT UNTIL SIX MONTHS BEFORE YOU SUE. 20 MR. POWERS: I UNDERSTAND THAT PART OF 21 IT. 22 THE COURT: BUT ONCE YOU DID LEARN, MORE 23 THAN FOUR-YEARS BEFORE YOU SUED, ASSUMING WHATEVER 24 YOU'RE SUING ON HAS A FOUR YEAR STATUTE OF 25 LIMITATIONS, THAT AFTER HE LEFT SAMSUNG, HE TURNED</p>

<p style="text-align: right;">Page 70</p> <p>1 OVER THE EXACT SAME CONFIDENTIAL INFORMATION TO 2 RAMBUS, AND YOU KNEW THAT. 3 MR. POWERS: THE EXACT SAME INFORMATION 4 IN BOTH CASES? 5 THE COURT: YEAH. 6 MR. POWERS: IF IT'S THE EXACT SAME 7 INFORMATION IN BOTH CASES, I GUESS THE QUESTION IS 8 WHETHER THERE'S A DIFFERENCE IN THE TYPE OF CLAIM, 9 BECAUSE, ONE, THERE'S A -- THERE'S CERTAINLY A 10 DIFFERENCE IN THE TYPE OF CLAIM WHEN YOU'RE 11 CURRENTLY AN EMPLOYEE. 12 THE COURT: RIGHT. ONE WOULD BE, I 13 THINK, AS IS SEPARATED IN YOUR COUNTERCLAIMS, ONE 14 WOULD BE A BREACH OF A FIDUCIARY DUTY TO AN 15 EXISTING CLIENT AND ONE WOULD BE A BREACH OF 16 FIDUCIARY DUTY TO A FORMER CLIENT. 17 MR. POWERS: WELL, BUT IT GOES BEYOND 18 THAT. THERE'S A BREACH OF CONTRACT CLAIM. 19 THE COURT: RIGHT. 20 MR. POWERS: AND HIS DUTIES AND 21 OBLIGATIONS MAY BE DIFFERENT DEPENDING ON EACH CASE 22 BECAUSE IN ONE CASE THE CONTRACT DIDN'T APPLY AND 23 IN ONE CASE IT DID. 24 THE COURT: WHY WOULDN'T IT APPLY IN BOTH 25 CASES?</p>	<p style="text-align: right;">Page 72</p> <p>1 AND THE DAMAGES THAT FLOW FROM THAT ARE 2 LOGICALLY GOING TO BE RELATED TO WHAT WAS SAID AND 3 WHAT WAS DONE AND THE IMPLICATIONS OF THAT. 4 THE DAMAGES AND IMPLICATIONS FROM THE 5 CONDUCT POST-AUGUST WILL FLOW FROM WHAT WAS DONE 6 AND SAID POST-AUGUST. 7 NOW, WE HAVE WINDOWS -- 8 THE COURT: WOULD YOU ALLEGE IN YOUR 9 COUNTERCLAIMS THAT THEY'RE THE SAME, THOUGH? 10 MR. POWERS: NO, ABSOLUTELY NOT. I MEAN, 11 IT'S THE SAME VERY GENERAL UNIVERSE OF INFORMATION, 12 BUT BY NO MEANS IS IT THE SAME THING. 13 THAT'S WHY IT'S TOTALLY DIFFERENT FROM 14 YOUR HYPOTHETICAL. WHAT HE SAID AND DID PRE-AUGUST 15 AND POST-AUGUST IS OBVIOUSLY GOING TO BE DIFFERENT. 16 THEY WEREN'T THE SAME CONVERSATIONS. 17 THE COURT: RIGHT. BUT WHAT DAMAGES DO 18 YOU SAY ARE ATTRIBUTABLE TO ONE AND WHAT DAMAGES 19 ARE ATTRIBUTABLE TO THE OTHER? 20 MR. POWERS: WE HAVEN'T HAD THE DISCOVERY 21 OF WHAT THEY WERE YET, AND THEY'RE GOING TO RESULT 22 FROM THE HEINOUSNESS OF WHAT WAS SAID AND DONE, AND 23 CONVERSATION ONE MAY HAVE LIMITED IMPACT, BUT 24 CONVERSATION TWO MAY HAVE SUBSTANTIAL IMPACT. 25 ONE MAY AFFECT ONE SET OF PATENT CLAIMS,</p>
<p style="text-align: right;">Page 71</p> <p>1 MR. POWERS: IF THE INFORMATION IS 2 IDENTICAL, THEN THE QUESTION IN MY MIND IS WHETHER 3 THE CLAIMS ARE SUFFICIENTLY SIMILAR THAT NOTICE FOR 4 ONE IS NOTICE FOR THE OTHER, AND IF THE ANSWER TO 5 THAT IS YES, I THINK THE ANSWER WOULD BE YES. 6 THE COURT: UM-HUM. 7 MR. POWERS: I DON'T THINK THAT'S THE 8 ISSUE HERE, AND THIS REALLY GOES TO YOUR HONOR'S 9 SECOND QUESTION, I THINK, WHICH IS, IS THERE A 10 DIFFERENCE IN DAMAGES BETWEEN THE PRE-AUGUST CLAIMS 11 AND THE POST-AUGUST CLAIMS? I THINK THAT'S REALLY 12 WHERE WE'RE GOING. 13 THE COURT: RIGHT. 14 MR. POWERS: AND I'VE GOT SEVERAL 15 THOUGHTS ON THAT QUESTION, BECAUSE I THINK IT'S AN 16 IMPORTANT QUESTION. 17 IT IS PREMATURE, IN MY MIND, TO THINK 18 ABOUT DAMAGES WHEN WE DON'T HAVE ANY DISCOVERY YET 19 ON THE NATURE OF HIS MALFEASANCE. 20 WE KNOW THERE WAS MALFEASANCE. IT'S 21 ADMITTED NOW, REALISTICALLY, THAT THERE'S 22 MALFEASANCE, THAT HE WAS SPEAKING IMPROPERLY AND 23 ACTUALLY RENDERING LEGAL SERVICES IMPROPERLY. WE 24 DON'T KNOW THE FULL CONTENT OF THAT. WE HAVEN'T 25 BEEN ABLE TO EXPLORE THAT.</p>	<p style="text-align: right;">Page 73</p> <p>1 ONE MAY AFFECT ANOTHER. 2 THERE'S ALL SORTS OF DIFFERENCES ABOUT 3 WHAT -- IT'S NOT JUST GOING TO BE A BINARY QUESTION 4 OF, DID YOU DISCLOSE SOMETHING RELATING TO THE 5 PATENTS? OKAY, ALL THE PATENTS ARE GONE. 6 THE QUESTION IS WHAT WAS SAID, AND THE 7 NATURE AND GRAVITY OF WHAT WAS SAID AND THE 8 HEINOUSNESS OF WHAT WAS DONE IS GOING TO AFFECT THE 9 REMEDY. 10 AND THAT'LL BE -- THAT'LL VARY BY WHAT 11 WAS SAID WHEN, AND I -- TO ASK US NOW, WITH NO 12 DISCOVERY, TO OPINE ABOUT THE APPROPRIATE REMEDY 13 FOR INEQUITY, AT LEAST IN PART, AND LEGALLY 14 OTHERWISE FOR CONDUCT THAT IS NOT YET BEFORE THE 15 COURT I DON'T THINK IS FAIR. 16 IT IS CERTAINLY FAIR TO ASK US FOR SOME 17 BASIS TO THINK WHY THEY MIGHT BE DIFFERENT, AND 18 THAT'S WHAT I'VE JUST DESCRIBED. 19 THEY WILL BE DIFFERENT DEPENDING ON WHAT 20 WAS SAID AND DONE. 21 HE -- IF HE -- IF, HYPOTHETICALLY -- AND 22 I THINK THE EVIDENCE WILL SHOW HE DID MUCH MORE 23 THAN THIS -- BUT IF, HYPOTHETICALLY, IN AUGUST OF, 24 BEFORE AUGUST OF '98 HE RENDERED ADVICE AND ACTED 25 INAPPROPRIATELY WITH RESPECT TO ONE CATEGORY OF</p>

<p style="text-align: right;">Page 74</p> <p>1 INFORMATION THAT RELATES TO A SUBSET OF THESE 2 PATENTS ONLY, BECAUSE THE PATENTS DO SEVER BY 3 TECHNOLOGICAL AREAS, THERE'S DIFFERENT PATENTS THAT 4 RELATE TO DIFFERENT THINGS AND THAT'S WHY 5 THEY'RE - THAT'S EXACTLY WHY MR. STONE IS WANTING 6 AS MUCH FLEXIBILITY AS HE CAN, THEY DO VARY, AND SO 7 HIS CONVERSATIONS ARE GOING TO VARY, AND THE 8 IMPLICATIONS OF THOSE CONVERSATIONS WILL VARY. 9 AND THE EVIDENCE THAT WE HAVE FROM THE 10 2005 TRIAL SHOWS, POST-2005, A VERY SUBSTANTIAL 11 EFFORT BY HIM TO CHANGE THE CLAIMS BASED ON 12 INFORMATION WHICH WE BELIEVE THE EVIDENCE WILL NOW 13 SHOW CAME FROM SAMSUNG. 14 WE CERTAINLY HAD NO INKLING THAT HE WAS 15 DOING THAT, AND MERELY LOOKING AT CLAIMS - THIS IS 16 MR. STONE'S ARGUMENT - MERELY LOOKING AT CLAIMS 17 THAT RAMBUS OBTAINED IN 2000 DOESN'T TELL YOU THAT 18 THAT'S WHAT, IN FACT, MR. STEINBERG WAS DOING. 19 THE COURT: THERE IS SOME LANGUAGE IN A 20 COUPLE OF CASES THAT SUGGESTS, ONCE YOU LEARN THAT 21 A FIDUCIARY HAS CHEATED YOU, YOU CAN'T TRUST HIM 22 ANYMORE. 23 MR. POWERS: WELL - 24 THE COURT: AND, THEREFORE, WHEN YOU 25 FIRST LEARN OF A CHEAT, THAT PUTS YOU ON INQUIRY</p>	<p style="text-align: right;">Page 76</p> <p>1 CLEAR, BENNETT'S QUITE CLEAR, THE CALIFORNIA 2 SUPREME COURT CASE IS QUITE CLEAR, THAT IN THE CASE 3 OF A FIDUCIARY, YOU HAVE THE RIGHT TO EXPECT THAT 4 YOUR LAWYER IS NOT CHEATING YOU, WHETHER HE'S WITH 5 YOU NOW OR NOT WITH YOU NOW. 6 AND PUTTING ASIDE, PUTTING ASIDE THE, THE 7 INEVITABLE DISCLOSURE DOCTRINE, THE FIDUCIARY 8 DOCTRINE, WHICH WAS NOT ADDRESSED REALLY AT ALL IN 9 ARGUMENT AND HAS BEEN ADDRESSED ONLY IN ONE RESPEC 10 IN THEIR PAPERS, WHICH I WANT TO GET TO, THAT'S - 11 THERE IS AN IMPORTANT ISSUE, BECAUSE THE INQUIRY 12 NOTICE ASSUMES THERE'S NO FIDUCIARY RELATIONSHIP, 13 OR THAT THE FIDUCIARY RELATIONSHIP HAS NO AFFECT ON 14 THE INQUIRY NOTICE STANDARD. 15 AND THE CASES ARE CLEAR THAT IT DOES. 16 EVEN THEIR CASE SAYS IT CLEARLY REDUCES THE INQUIRY 17 NOTICE. THE QUESTION IS TO WHAT LEVEL. 18 AND BENNETT - 19 THE COURT: DO YOU THINK THERE'S A 20 FIDUCIARY DUTY BETWEEN RAMBUS AND SAMSUNG? 21 MR. POWERS: OH, OF COURSE NOT. OF 22 COURSE NOT. 23 THE COURT: SO HOW DO YOU GET -- 24 MR. POWERS: BECAUSE THE CLAIM ARISES NOT 25 BASED ON FIDUCIARY RELATIONSHIP BETWEEN RAMBUS AND</p>
<p style="text-align: right;">Page 75</p> <p>1 NOTICE FOR MORE CHEATS. 2 MR. POWERS: THOSE ARE CLAIMS - WELL, I 3 CAN'T SPEAK TO THE CASES YOU'RE REFERRING TO. 4 I DO RECALL LANGUAGE OF THAT TYPE. MY 5 RECOLLECTION OF THOSE CASES IS THOSE ARE IN THE 6 CONTEXT OF AN ONGOING RELATIONSHIP WITH A FIDUCIARY 7 WHERE YOU MAKE A CLAIM AGAINST THAT FIDUCIARY FOR 8 ACTIONS, FOR CHEATING YOU IN TRANSACTION NUMBER 2, 9 LIKE A TRUSTEE, WHERE YOU KNEW HE CHEATED YOU IN 10 TRANSACTION NUMBER 1. AND THAT LAW MAKES SENSE TO 11 ME. 12 THAT'S A DIFFERENT -- 13 THE COURT: YOU MAY BE RIGHT THAT IT'S AN 14 ONGOING FIDUCIARY RELATIONSHIP. 15 MR. POWERS: THAT'S MY RECOLLECTION. I 16 CAN'T OBVIOUSLY SPEAK TO WHICHEVER CASE YOU'RE 17 TALKING ABOUT. 18 BUT LET'S TALK ABOUT THE FIDUCIARY 19 QUESTION, BECAUSE THAT'S THE ISSUE THAT HAS GOTTEN 20 LOST HERE. 21 MCKELVIE, THE CASE UPON WHICH WE'VE ALL 22 BEEN BASING THIS DISCUSSION AND UPON WHICH LARGELY 23 YOUR HONOR'S JANUARY '07 ORDER WAS BASED, WAS NOT A 24 FIDUCIARY CASE. 25 AND THE FIDUCIARY CASES, I THINK, ARE</p>	<p style="text-align: right;">Page 77</p> <p>1 SAMSUNG, BUT BETWEEN MR. STEINBERG AND SAMSUNG. 2 THE CLAIM IS THAT THEY'RE INDUCING A 3 BREACH OF THAT FIDUCIARY RELATIONSHIP. 4 THE COURT: RIGHT. 5 MR. POWERS: SO THAT'S WHAT THE CLAIM IS 6 FROM AND THAT'S WHAT IT ARISES FROM. 7 THERE IS NO LAW, AND ALL THE CASES WHICH 8 THEY CITE DO NOT SUPPORT THIS PROPOSITION, THERE'S 9 NO LAW THAT SAYS THE FIDUCIARY RELATIONSHIP WHICH 10 ELIMINATES THE DISCOVERY RULE MUST BE BETWEEN THE 11 PARTIES. THEIR CASES DON'T SUPPORT THAT 12 PROPOSITION. 13 THEIR CASES - THEIR QUOTES THAT THEY LOB 14 IN THEIR BRIEF DO SAY THAT IF THERE'S A FIDUCIARY 15 RELATIONSHIP BETWEEN THE PARTIES, THEN THE 16 DISCOVERY RULE DOES NOT APPLY OR THE INQUIRY NOTICE 17 IS GONE. 18 THAT DOESN'T SAY THAT IF IT'S NOT BETWEEN 19 THE PARTIES, IT DOESN'T APPLY. 20 AND THAT'S JUST LANGUAGE IN THE COURTS 21 THAT SAYS, YES, IN THAT CASE THERE WAS A FIDUCIARY 22 RELATIONSHIP BETWEEN THE PARTIES. 23 SO THE ISSUE THAT THEY'RE TRYING TO CITE 24 THOSE CASES FOR DOESN'T APPLY AND WE'VE SHOWN YOU 25 IN OUR BRIEF WHY IT'S CLEARLY NOT APPLICABLE</p>

<p style="text-align: right;">Page 78</p> <p>1 AND IN THIS CASE, THE ISSUE IS -- THE 2 BASIS FOR THE CLAIM IS THE FIDUCIARY RELATIONSHIP 3 BETWEEN STEINBERG AND SAMSUNG. SO, YES. 4 AND THEIR ARGUMENT ON DISCOVERY IS THAT 5 WE SHOULD HAVE KNOWN THAT STEINBERG WAS ACTING 6 IMPROPERLY BECAUSE HE WAS AT RAMBUS. 7 NO, BECAUSE HE'S A FIDUCIARY. AND 8 FIDUCIARIES -- THEIR WHOLE DISCOVERY RULE THEORY 9 ARISES FROM THE ACTIONS OF OUR FIDUCIARY. 10 SO TO SAY THAT WE SHOULD HAVE ASSUMED 11 THAT OUR FIDUCIARY WAS ACTING IMPROPERLY, I DONT 12 THINK THERE'S -- THERE'S NO BASIS TO ARGUE THAT. 13 THE COURT: THEY HAVEN'T GONE THAT FAR, 14 HAVE THEY? 15 MR. POWERS: THEY HAVEN'T GONE THAT FAR. 16 THE COURT: RIGHT. 17 MR. POWERS: THEIR ARGUMENT IS THAT WE -- 18 THEIR ARGUMENT IN THEIR BRIEF IS STRAIGHTFORWARD, 19 THE FACT THAT WE KNEW HE WENT TO RAMBUS, THAT WE 20 KNEW HE WAS INVOLVED IN PROSECUTION, AND THAT WE 21 KNEW THAT THEY HAD PATENTS THAT THEY WERE TALKING 22 TO US ABOUT LICENSING, THAT ALONE MEANS WE SHOULD 23 HAVE SUSPECTED HE WAS USING OUR CONFIDENTIAL 24 INFORMATION. 25 THAT'S CONTRARY TO FIDUCIARY DUTY RULES.</p>	<p style="text-align: right;">Page 80</p> <p>1 WE CAN ASSUME HE WOULDN'T HAVE USED IT. 2 THE COURT: WHERE DID IT COME FROM? 3 MR. POWERS: FROM? 4 THE COURT: WHERE DID HIS INFORMATION 5 COME FROM? 6 MR. POWERS: THERE'S NO -- THERE'S NO 7 FOUNDATION THAT HE USED ANY INFORMATION FROM 8 SAMSUNG IN DOING WHAT HE DID. 9 HE COULD HAVE BEEN SIGNING THE DOCUMENT. 10 HE COULD HAVE BEEN DOING SOMETHING THAT HAD NOTHING 11 TO DO WITH SAMSUNG. 12 THERE'S NO REASON TO BELIEVE HE WAS USING 13 OUR INFORMATION EXCLUSIVELY IN DOING THAT. 14 I MEAN, THAT'S THE OPPOSITE OF WHAT THE 15 LAW PRESUMES HE SHOULD BE DOING. 16 THE COURT: OKAY. 17 MR. POWERS: I MEAN, MR. STEINBERG HAS 18 KNOWLEDGE AND INFORMATION THAT ISN'T SAMSUNG'S. 19 THE UNIVERSE OF WHAT HE COULD DO AS A 20 PATENT ATTORNEY IS NOT THE UNIVERSE OF HIS 21 KNOWLEDGE OF HIS CONFIDENTIAL INFORMATION FROM 22 SAMSUNG. 23 HE COULD HAVE DONE -- HE COULD HAVE BEEN 24 PLAYING OUT HIS ROLE AT RAMBUS HAVING NEVER LEARNED 25 ANY INFORMATION ABOUT SAMSUNG, PROPERLY, NO DEBATE.</p>
<p style="text-align: right;">Page 79</p> <p>1 THE COURT: BUT I GUESS MY POINT IS THAT 2 THAT'S MORE THAN JUST THAT HE WAS WORKING FOR 3 RAMBUS. IT'S THAT HE -- 4 MR. POWERS: NO, IT'S NOT. 5 THE COURT: SURE IT IS. HE'S USING SOME 6 INFORMATION -- 7 MR. POWERS: NO. THERE'S NO -- THERE'S 8 NO KNOWLEDGE THAT WE KNEW HE USED INFORMATION. 9 ZERO. 10 THE COURT: OKAY. 11 MR. POWERS: THAT'S AN IMPORTANT 12 DISTINCTION. ALL THAT IS ASSERTED, AND ALL THAT 13 COULD BE ASSERTED, IS THAT WE KNEW HE WAS THERE AND 14 THAT WE KNEW HE WAS INVOLVED IN PROSECUTION. 15 THE COURT: RIGHT. 16 MR. POWERS: THAT WE KNEW HE HAD OUR 17 INFORMATION, AND THAT WE KNEW THAT THEY HAD PATENTS 18 THAT THEY WERE COMING BACK AT US WITH THIS CHANGED 19 THEORY. 20 THERE IS ZERO ALLEGATION, NOR COULD THERE 21 BE AN ALLEGATION, THAT WE KNEW HE USED OUR 22 INFORMATION OR HAD REASON TO BELIEVE THAT. 23 IN FACT, WE HAD EVERY REASON TO BELIEVE 24 HE WOULDN'T. HE WAS OUR LAWYER. HE WAS LEGALLY 25 OBLIGATED NOT TO USE IT, AND THE LAW PRESUMES THAT</p>	<p style="text-align: right;">Page 81</p> <p>1 HE COULD HAVE BEEN BEING A PATENT ATTORNEY THERE 2 DOING A GOOD JOB AS A PATENT ATTORNEY. 3 THE COURT: YOU THINK -- DO YOU THINK IN 4 2000 HE COULD BE DOING WHAT YOU ALLEGE HE WAS 5 DOING, OR YOU KNEW HE WAS DOING AT THE TIME, AND 6 NOT WONDERED, JEEZ, WHERE DID YOU -- HOW CAN HE DO 7 THAT? 8 MR. POWERS: THE QUESTION THAT YOU ASK 9 BEGS THE QUESTION OF WHAT WE KNEW HE WAS DOING AT 10 THE TIME. 11 WE KNEW HE WAS INVOLVED IN PROSECUTION. 12 WE DIDN'T KNOW THAT HE WAS PERSONALLY, 13 INTIMATELY WRITING CLAIMS ON SPECIFIC SUBJECT 14 MATTER WHICH HE LEARNED AT SAMSUNG. 15 ALL WE KNEW IS THAT HE WAS INVOLVED IN 16 PROSECUTION. 17 AND ANY PATENT ATTORNEY CAN BE INVOLVED 18 IN PROSECUTION WITHOUT USING CONFIDENTIAL 19 INFORMATION OF THEIR FORMER CLIENTS IF THEY ACT 20 APPROPRIATELY. 21 THE COURT: BUT YOU DID KNOW WHAT 22 INFORMATION WAS BEING USED FOR THE CLAIMS, NOT 23 WHERE IT CAME FROM, BUT -- 24 MR. POWERS: NO, OF COURSE NOT. 25 WE KNEW WHAT THE CLAIMS ENDED UP BEING.</p>

<p style="text-align: right;">Page 82</p> <p>1 THE COURT: THAT'S RIGHT.</p> <p>2 MR. POWERS: BUT WE DIDN'T KNOW WHAT</p> <p>3 INPUT WENT INTO THAT. WE DIDN'T KNOW THAT HE</p> <p>4 SPECIFICALLY WROTE SOME OF THOSE CLAIMS.</p> <p>5 THAT'S THE DISCONNECT HERE. I MEAN,</p> <p>6 THEIR ASSUMPTION IS THAT THE ONLY WAY THOSE CLAIMS</p> <p>7 COULD HAVE COME OUT WOULD HAVE BEEN THE USE OF OUR</p> <p>8 IMPROPER INFORMATION, THE IMPROPER USE OF OUR</p> <p>9 INFORMATION.</p> <p>10 AND THAT'S NOT TRUE. IT TURNS OUT THAT</p> <p>11 THAT IS CLEARLY NOW, BASED ON THE 2005 DOCUMENTS</p> <p>12 WHICH SHOW - I MEAN, WE'RE TALKING ABOUT DOCUMENTS</p> <p>13 THAT HE WRITES TO THE BOARD AND SAYS, ALL RIGHT,</p> <p>14 I'M NOW ON BOARD AND OUR CURRENT CLAIMS REALLY</p> <p>15 AREN'T VERY GOOD ONCE YOU GO OUTSIDE THE RDRAM</p> <p>16 SPACE. ONCE WE TRY TO ENFORCE THIS AGAINST SDRAM</p> <p>17 AND DDR, OUR CLAIMS ARE LAME.</p> <p>18 THAT'S WHAT HE TELLS THE BOARD IN WORDS</p> <p>19 OF ONE SYLLABLE.</p> <p>20 BUT I KNOW HOW TO FIX THEM, HE SAYS IN</p> <p>21 THESE CONFIDENTIAL DOCUMENTS GIVEN TO THE BOARD,</p> <p>22 NOT PRODUCED UNTIL 2004 PLUS AND NOT REVEALED TO US</p> <p>23 UNTIL THE 2005 TRIAL. I KNOW HOW TO FIX THEM.</p> <p>24 WE'LL ADD THIS AND THIS AND THIS AND THIS, AND, NOT</p> <p>25 A SURPRISE, THIS AND THIS AND THIS AND THIS TURN</p>	<p style="text-align: right;">Page 84</p> <p>1 THIS: ONCE WE LOOKED AT THOSE NEW CLAIMS, WE SAW</p> <p>2 THOSE NEW CLAIMS.</p> <p>3 WHAT DO WE SEE TODAY? WHAT'S THE BASIS</p> <p>4 ON WHICH MR. POWERS STANDS UP HERE AND MAKES</p> <p>5 SCURRILOUS ALLEGATIONS?</p> <p>6 HE SAYS, WE'VE NOW SEEN THE CLAIMS. WE</p> <p>7 KNOW THOSE CLAIMS HAD TO COME FROM SAMSUNG. HAD</p> <p>8 TO. THAT'S WHAT HE SAYS.</p> <p>9 HE GIVES YOU NO OTHER EVIDENCE TO SUPPORT</p> <p>10 HIS ALLEGATIONS EXCEPT NOW THAT WE'VE SEEN THOSE</p> <p>11 CLAIMS, THOSE BROADENED CLAIMS, EXACTLY WHAT THEY</p> <p>12 ALLEGE IN PARAGRAPH 109, NOW THAT WE'VE SEEN THE</p> <p>13 BROADENED CLAIMS, WE KNOW THAT INFORMATION HAD TO</p> <p>14 COME FROM SAMSUNG.</p> <p>15 THEN WHAT DOES HE SAY HE DOESN'T KNOW?</p> <p>16 HE SAYS, WE DIDN'T KNOW MR. STEINBERG HAD ANY</p> <p>17 INVOLVEMENT IN WRITING THOSE CLAIMS.</p> <p>18 THAT CAN'T BE TRUE. SEPTEMBER 1999 THE</p> <p>19 FIRST PATENT ISSUES THAT WERE PROSECUTED BY</p> <p>20 MR. STEINBERG.</p> <p>21 BY THE TIME OF THE LICENSE NEGOTIATIONS</p> <p>22 IN 2000, THERE WERE A NUMBER OF PATENTS THAT HAD</p> <p>23 ISSUED THAT WERE PROSECUTED BY MR. STEINBERG.</p> <p>24 YOU NEED LOOK NO FURTHER THAN THE FACE OF</p> <p>25 THE PATENT TO SEE THAT MR. STEINBERG WAS INVOLVED.</p>
<p style="text-align: right;">Page 83</p> <p>1 OUT TO BE INFORMATION THAT HE HAD LEARNED FROM US.</p> <p>2 THAT WE DIDN'T KNOW IN 2000.</p> <p>3 THE COURT: OKAY.</p> <p>4 MR. POWERS: AND THERE'S NO WAY WE COULD</p> <p>5 HAVE KNOWN THE INTIMACY AND LEVEL OF INVOLVEMENT OF</p> <p>6 HIS ROLE IN 2000.</p> <p>7 AND WHEN YOU ADD TO THAT THE AFFIRMATIVE,</p> <p>8 THE AFFIRMATIVE FRAUDULENT CONCEALMENT OF THAT</p> <p>9 WHERE HE LIES UNDER OATH ABOUT WHAT HE DID AND GETS</p> <p>10 BUSTED, TO SAY THAT A PARTY THAT TRUSTED ITS</p> <p>11 FIDUCIARY, EVEN IF THERE WAS SOME REASON TO BE</p> <p>12 CONCERNED, SHOULD NOT BE ALLOWED TO CHALLENGE THE</p> <p>13 ROLE OF THAT FIDUCIARY WHEN IT TURNS OUT TO BE AS</p> <p>14 GROTESQUE AS IT WAS, BASED ON DOCUMENTS THAT WERE</p> <p>15 WITHHELD IMPROPERLY FOR YEARS, THAT TURNS THE LAW</p> <p>16 OF THE DISCOVERY RULE ON FRAUDULENT CONCEALMENT ON</p> <p>17 ITS HEAD.</p> <p>18 THE COURT: OKAY.</p> <p>19 MR. STONE: IN YOUR JANUARY ORDER, YOU</p> <p>20 TOLD SAMSUNG ONE OF THE THINGS THEY NEEDED TO COME</p> <p>21 BACK TO THE COURT WITH WAS A CLEAR EXPLANATION OF</p> <p>22 WHAT INFORMATION DID THEY CONTEND MR. STEINBERG HAD</p> <p>23 AND MISUSED.</p> <p>24 WE HAVEN'T SEEN THAT.</p> <p>25 WHAT WE DID HEAR FROM MR. POWERS WAS</p>	<p style="text-align: right;">Page 85</p> <p>1 THEY KNEW THEN EVERYTHING THAT MR. POWERS</p> <p>2 JUST STOOD UP HERE AND TOLD YOU THEY KNOW NOW ABOUT</p> <p>3 THE ALLEGED IMPROPER USE OF CONFIDENTIAL</p> <p>4 INFORMATION FROM SAMSUNG.</p> <p>5 THE INFORMATION AND BELIEF ON WHICH THEY</p> <p>6 ALLEGE THESE THINGS IN THEIR PLEADING IS THE SAME</p> <p>7 INFORMATION THAT THEY HAD IN 2000.</p> <p>8 ALL OF A SUDDEN, THE CLAIMS WERE BROADER;</p> <p>9 MR. STEINBERG WAS INVOLVED IN PROSECUTING.</p> <p>10 THEY SAY, WELL, BUT WE DIDN'T KNOW THAT</p> <p>11 HE WOULD TAKE A POSITION ADVERSE TO SAMSUNG.</p> <p>12 BUT HE SHOWED UP AT THE NEGOTIATION</p> <p>13 ADVERSE TO SAMSUNG, AND HE SIGNED THE AGREEMENT ON</p> <p>14 THE OTHER SIDE FROM SAMSUNG.</p> <p>15 AND WE ALL KNOW THAT WHEN YOU ARE</p> <p>16 NEGOTIATING A LICENSE AGREEMENT AND SOMEBODY IS</p> <p>17 GOING TO AGREE TO PAY A LOT OF MONEY, THAT'S A</p> <p>18 SITUATION IN WHICH YOU ARE ADVERSE TO EACH OTHER.</p> <p>19 SO THEY KNEW IN 2000 HE WOULD BE ADVERSE.</p> <p>20 AND THEN MR. POWERS SAYS, AND THIS I</p> <p>21 ATTRIBUTE TO THE FACT THAT UNTIL RECENTLY, I THINK</p> <p>22 HE'S BEEN PERCEIVED TO BE, AND CERTAINLY APPEARED</p> <p>23 HERE AS MICRON'S LAWYER, AND PERHAPS HAS NOT UNTIL</p> <p>24 RECENTLY APPEARED AT SAMSUNG'S LAWYER, BUT HE SAYS</p> <p>25 WE HAVEN'T HAD DISCOVERY OF THIS.</p>

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1 BUT THEY HAVE HAD DISCOVERY. IN THE
2 DELAWARE CHANCERY COURT WHERE THESE VERY SAME
3 CLAIMS ARE RAISED, IDENTICAL CLAIMS, AND THIS COURT
4 OR THE DELAWARE CHANCERY COURT, OR BOTH, SHOULD
5 TELL SAMSUNG, ELECT WHERE YOU'RE GOING TO PROSECUTE
6 THESE CLAIMS, BECAUSE AS MR. HEALEY SO ELOQUENTLY
7 ARGUED, WE SHOULDN'T BE CAUSING PEOPLE TO SPEND
8 MONEY DEFENDING CLAIMS THAT THEY MAY NOT NEED TO
9 DEFEND.

10 AND HERE IT IS CLEAR THAT WE'RE BEING
11 REQUIRED TO DEFEND THESE CLAIMS IN TWO DIFFERENT
12 JURISDICTIONS.

13 BUT IN THAT DELAWARE CASE, WHICH,
14 PURSUANT TO THE TERMS OF THE CASE MANAGEMENT ORDER,
15 ALL OF THE DISCOVERY TAKEN THERE CAN BE USED HERE,
16 THEY HAVE DEPOSED A MOST KNOWLEDGEABLE PERSON FROM
17 RAMBUS ON THE VERY ISSUES OF WHAT MR. STEINBERG DID
18 PRE-AUGUST 1998 FOR RAMBUS. THEY'VE TAKEN THAT
19 DEPOSITION. THEY HAVE THAT INFORMATION.

20 AND THEY HAVE RAISED NO COMPLAINT ABOUT
21 THE ADEQUACY OF THE PREPARATION OR THE ADEQUACY OF
22 THE ANSWERS.

23 THEY'VE HAD FULL DOCUMENT DISCOVERY IN
24 THAT CASE REGARDING WHAT MR. STEINBERG DID
25 PRE-AUGUST 1998.

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1 AND WE'VE GIVEN THEM INTERROGATORY
2 ANSWERS THAT RESPOND TO THAT, ALL OF WHICH THEY
3 HAVE BEEN SATISFIED WITH AND WE HAVE HEARD NOTHING
4 TO SUGGEST OTHERWISE.

5 SO WHAT WE KNOW IS THAT THEY HAVE NOTHING
6 MORE TODAY, NOTHING MORE ABOUT THIS CLAIM THAT
7 SOMEHOW IMPROPER INFORMATION WAS USED TO PROSECUTE
8 THE PATENTS. THEY KNOW TODAY NOTHING MORE THAN
9 THEY KNEW IN 2000.

10 NOW, THAT'S BECAUSE THERE'S NOTHING TO
11 KNOW OF ANYTHING IMPROPER.

12 BUT NOW THEY'VE DECIDED IT'S IN THEIR
13 STRATEGIC INTEREST TO MAKE A CLAIM.

14 WELL, THEY HAD ALL THE INFORMATION THEN
15 THAT THEY HAVE NOW, AND IF WE ARE TO PRESUME THAT
16 THAT'S ENOUGH INFORMATION ON WHICH TO FILE A
17 COMPLAINT, THAT THEY HAVE NOT ENGAGED IN CONDUCT
18 THEY SHOULDN'T HAVE, IF THEY KNOW ENOUGH NOW TO
19 FILE A COMPLAINT, THEY KNEW ALL OF THAT INFORMATION
20 IN 2000.

21 THE COURT: WELL, THEY DID LEARN
22 SUBSEQUENTLY THAT, AT LEAST ACCORDING TO THEIR
23 ALLEGATIONS, THAT STEINBERG WORKED FOR BOTH RAMBUS
24 AND SAMSUNG AT THE SAME TIME.

25 MR. STONE: YES. AND, YOU KNOW, WE --

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1 AND I DON'T DISPUTE THAT THERE'S FOUR AND A QUARTER
2 HOURS, OR FOUR AND A HALF HOURS, I FORGET, OF WORK,
3 PRINCIPALLY ON A WEEKEND, ON WHICH HE ADVISED ON
4 SOMETHING UNRELATED TO THIS, AND THAT'S WHAT
5 THEY'VE HAD DISCOVERY INTO, AND IF THERE WAS ANY
6 EVIDENCE TO SUPPORT THE ALLEGATIONS OF SOMETHING
7 IMPROPER THERE, THEY'VE TAKEN THAT DISCOVERY, WE
8 WOULD HAVE HEARD IT FROM MR. POWERS. BUT WE
9 DIDN'T.

10 BUT I AGREE WITH YOU THEY DIDN'T KNOW
11 THAT.

12 BUT WHAT WE DO KNOW IS THE ONLY WRONG OF
13 WHICH THEY CLAIM, BECAUSE THE HYPOTHETICAL HERE IS
14 VERY MUCH THIS, I DON'T KNOW WHETHER I WAS INJURED
15 BY A BREACH OF FIDUCIARY DUTY OR A BREACH OF
16 CONTRACT OR INTENTIONAL INTERFERENCE WITH
17 PROSPECTIVE ECONOMIC ADVANTAGE, OR MAYBE IT WAS
18 17200, I'M NOT QUITE SURE OF THE LEGAL THEORY HERE,
19 BUT I KNOW THAT MY INFORMATION WAS USED TO
20 PROSECUTE CLAIMS AND BROADEN THEM. THAT'S THEIR
21 CLAIM.

22 THAT THEY KNEW IN 2000. THAT PUT THEM ON
23 NOTICE. THAT WOULD MAKE ANY REASONABLE PERSON
24 SUSPICIOUS.

25 AND THEY CAN POINT TO NOTHING THAT THEY

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1 HAVE LEARNED SINCE THEN TO SUPPORT THE CLAIM THAT
2 THEY'RE MAKING NOW, OTHER THAN WHAT THEY ALREADY
3 KNEW IN 2000, AND THAT'S EXACTLY WHAT THEY SAY.

4 ONE OF THE FEW ALLEGATIONS IN THEIR
5 SECOND AMENDED ANSWER THAT IS NOT ON INFORMATION
6 AND BELIEF IS IN PARAGRAPH 109 WHERE THEY SAY THE
7 EVIDENCE, THE EVIDENCE THAT OUR INFORMATION WAS
8 MISUSED WAS THE CHANGE IN RAMBUS'S PATENT POSTURE,
9 AND THAT OCCURRED IN 1999 AND 2000.

10 MR. POWERS: MAY I HAVE 45 SECONDS ON TWO
11 ISSUES?

12 THE COURT: ALL RIGHT. AND I'M GOING TO
13 LET MR. STONE HAVE THE LAST SAY.

14 MR. POWERS: I DON'T OBJECT TO THAT.

15 THERE'S JUST TWO QUESTIONS I WANT TO RESPOND TO.

16 MR. STONE ASKS, WHERE'S THE EVIDENCE?

17 THIS IS A MOTION TO DISMISS, NOT A
18 SUMMARY JUDGMENT MOTION.

19 AS AN EXAMPLE, THOUGH, OF WHAT I WAS
20 TALKING ABOUT -- AND I KNOW YOU'RE FAMILIAR WITH
21 THIS DOCUMENT, I'LL HAND YOU MY COPY -- THIS IS A
22 DOCUMENT WHICH MR. STEINBERG PRESENTED TO THE
23 BOARD, AND THAT WAS ONE OF THE DOCUMENTS THAT WAS
24 DISCUSSED AT LENGTH IN THE 2005 TRIAL, THAT
25 DISCUSSES AT LENGTH HIS PROPOSAL TO THE BOARD FOR

<p style="text-align: right;">Page 90</p> <p>1 SPECIFIC CHANGES IN THE PATENT POSITION OF RAMBUS 2 TO MAKE UP FOR ITS DEFICIENCIES. 3 THIS IS ONE DOCUMENT OUT OF DOZENS THAT 4 WERE WITHHELD. THERE WERE 100,000 PLUS DOCUMENTS 5 THAT WERE PRODUCED IN RESPONSE TO THE CRIME FRAUD 6 ORDER IN 2004. THIS IS ONE OF THEM. 7 THIS IS ONE OF ABOUT 50 DOCUMENTS THAT 8 WERE SIGNIFICANTLY RELIED UPON IN THE 2005 TRIAL 9 THAT DETAILS SPECIFICS OF WHAT MR. STEINBERG WAS 10 DOING IN REGARD TO THE PATENT PROSECUTION STRATEGY 11 THAT RELATES VERY, VERY CLEARLY TO SAMSUNG. 12 NOW, THE IDEA THAT WE DIDN'T LEARN 13 ANYTHING FROM THAT 2005 TRIAL THAT WE DIDN'T KNOW 14 IN 2000 IS FANTASY. 15 ALL WE KNEW IN 2000 WAS THAT HIS NAME 16 APPEARED ON A PATENT. YOUR NAME CAN APPEAR ON A 17 PATENT BECAUSE YOU SIGN IT, BECAUSE YOU DO NOTHING. 18 OR YOU COULD ACT TOTALLY PROPERLY. YOU 19 COULD BE INVOLVED AT A VERY DETAILED LEVEL, BUT 20 STILL ACT PROPERLY. 21 PATENT ATTORNEYS DO THAT EVERY SINGLE 22 DAY. THEY HAVE INFORMATION THAT THEY HAVE 23 FIDUCIARY OBLIGATIONS TO OTHER CLIENTS, TO FORMER 24 CLIENTS. BUT THEY ACT PROPERLY AS A PATENT 25 PROSECUTORS.</p>	<p style="text-align: right;">Page 92</p> <p>1 PREPARED BY JOEL KARP AND NOT BY NEIL STEINBERG, AS 2 THE COURT WILL RECALL FROM THE TESTIMONY, AND IT 3 EXPLAINS THAT THEY ARE GOING TO ASSIGN PROSECUTIONS 4 TO MR. STEINBERG PROSPECTIVELY. THAT'S THE PLAN. 5 NOT THAT ANYTHING HAD HAPPENED AS OF THE DATE OF 6 THIS. 7 SO IT'S A DOCUMENT THAT TALKS ABOUT 8 MR. KARP, NOT MR. STEINBERG. 9 BUT IF MR. POWERS THINKS THAT THIS 10 DOCUMENT, OR ANY OTHER DOCUMENTS, GIVE THEM THE 11 FACTUAL BASIS ON WHICH TO ALLEGE THAT THEY'VE 12 SATISFIED EITHER THE FRAUDULENT CONCEALMENT RULE OR 13 CAN SATISFY THE DISCOVERY STANDARD, THEY SHOULD 14 HAVE ALLEGED IT, BECAUSE ALTHOUGH THIS IS A MOTION 15 TO DISMISS, THEY ARE REQUIRED TO ESTABLISH THAT 16 THEIR CLAIMS AREN'T TIME BARRED, AND THAT'S WHAT 17 THIS COURT'S ORDER IN JANUARY CLEARLY LAID OUT FOR 18 THEM THAT THEY NEEDED TO DO, AND THEY HAVE FAILED 19 TO DO IT. 20 AND IF YOU LOOK AT THE RED LINE COMPLAINT 21 AND SEE WHAT THEY'VE ADDED, YOU'LL SEE THAT THEY 22 HAVE ADDED NOTHING THAT RESPONDS TO THE COURT'S 23 QUESTIONS. 24 THANK YOU. 25 THE COURT: ALL RIGHT. LET'S TURN TO THE</p>
<p style="text-align: right;">Page 91</p> <p>1 HE DIDN'T. WE KNOW THAT NOW BECAUSE OF 2 THE DOCUMENTS THAT CAME TO LIGHT IN 2005. 3 WE DIDN'T KNOW THAT IN 2000 BECAUSE ALL 4 WE KNEW WAS THAT HIS NAME APPEARED ON THE FACE OF A 5 PATENT. 6 ON THE DISCOVERY ISSUE, YES, THEY GAVE US 7 A 30(B)(6). THEY GAVE US THE 30(B)(6) OF A MAN WHO 8 TALKED ON THE PHONE TO MR. STEINBERG FOR 20 9 MINUTES, WHO DIDN'T KNOW ANYTHING OF PERSONAL 10 KNOWLEDGE ABOUT IT. 11 SO THE IDEA THAT WE'VE HAD FULL DISCOVERY 12 ON THESE QUESTIONS IS ALSO FANTASY. 13 AND WE WILL, ONCE THERE'S DISCOVERY, I 14 THINK HAVE A CLEAR UNDERSTANDING OF WHAT 15 MR. STEINBERG DID AND DIDN'T DO AND HOW MUCH HE CAN 16 BE TRUSTED. 17 BUT HE'S ALREADY ADMITTED TO BE A LIAR, 18 AND HE'S BEEN FOUND TO BE A LIAR BY JUDGE PAYNE ON 19 SEVERAL OTHER QUESTIONS, AND THAT SHOULD BE BROUGHT 20 TO LIGHT. 21 THE COURT: OKAY. THANK YOU. YOU CAN 22 HAVE THE FINAL FINAL. 23 MR. STONE: YES, THANK YOU. 24 I'LL JUST -- THE DOCUMENT THAT MR. POWERS 25 IS SO ENAMORED WITH, IT IS, OF COURSE, A DOCUMENT</p>	<p style="text-align: right;">Page 93</p> <p>1 LAST MOTIONS, WHICH I THINK WE CAN TAKE AS A GROUP, 2 AND THAT'S THE MOTIONS TO DISMISS THE VARIOUS 3 PARTIES' 17200 CLAIMS. 4 I GUESS THE BASIC QUESTION THAT I HAVE ON 5 THOSE IS WHY -- IF THE RULE IS, WHICH SEEMS TO BE 6 AGREED AS I UNDERSTAND IT, THAT A NEW ACT RESTARTS 7 THE STATUTE, WHY, BASED ON THE ALLEGATIONS, IS NOT 8 THE ACQUISITION OF ADDITIONAL PATENTS WITHIN THE 9 TIME PERIOD OF THE STATUTE OF LIMITATIONS ENOUGH TO 10 KEEP THE, OR DETERMINE THAT THE CLAIMS ARE VIABLE? 11 MR. MEYER: I GET THIS ONE, YOUR HONOR. 12 THE COURT: OKAY. 13 MR. MEYER: I'M RONALD MEYER. 14 THAT'S A GOOD QUESTION, YOUR HONOR. 15 BUT I THINK THAT IT IS REALLY PRETTY 16 CLEARLY ANSWERED BY CASE LAW IN THE NINTH CIRCUIT. 17 THERE IS A CONTINUING VIOLATION 18 PRINCIPLE, OR THEORY, IN THE NINTH CIRCUIT WHICH 19 WOULD, WHICH COULD SERVE TO RESTART THE STATUTE OF 20 LIMITATIONS. 21 BUT WHAT THAT THEORY REQUIRES IS THAT 22 THERE BE AN OVERT ACT WITHIN THE LIMITATIONS 23 PERIOD. 24 AND THE NINTH CIRCUIT IN PACE, FOR 25 EXAMPLE, SAID THAT TO HAVE AN OVERT ACT, IT MUST</p>

<p style="text-align: right;">Page 94</p> <p>1 HAVE TWO ELEMENTS: FIRST, IT MUST BE A NEW AND 2 INDEPENDENT ACT, NOT MERELY A REAFFIRMATION OF A 3 PREVIOUS ACT; AND SECOND, IT MUST INFLICT NEW AND 4 ACCUMULATING INJURY ON THE PLAINTIFF. 5 WHAT WE HAVE HERE, YOUR HONOR – AND THIS 6 IS A MOTION TO DISMISS, SO WE LOOK AT THE 7 ALLEGATIONS OF THE VARIOUS COUNTERCLAIMS, WHAT WE 8 HAVE HERE, YOUR HONOR, IS ALLEGATIONS WHICH SAY 9 VERY CLEARLY THAT, BY REASON OF RAMBUS'S ALLEGED 10 MISCONDUCT, MISREPRESENTATIONS, AND OMISSIONS 11 BEFORE JEDEC IN THE 1990S, RAMBUS ASSUMED, 12 OBTAINED, COMPLETE CONTROL OF THIS MARKET FOR THE 13 DRAM TECHNOLOGY. 14 WHAT MICRON ALLEGES IN PARAGRAPH 122 OF 15 ITS COUNTERCLAIM IS THAT AS A RESULT OF THIS 16 ALLEGED CONDUCT BY RAMBUS IN THE 1990S, MICRON HAD 17 NO ALTERNATIVE BUT TO LICENSE RAMBUS TECHNOLOGIES. 18 HYNIX ALLEGES, IN PARAGRAPH 211.11 OF ITS 19 COUNTERCLAIM, THAT AS A RESULT OF THIS ALLEGED 20 MISCONDUCT BY RAMBUS IN THE 1990S, THE DRAM 21 INDUSTRY WAS LOCKED INTO RAMBUS'S DRAM STANDARDS BY 22 2000. 23 WHAT THIS MEANS, YOUR HONOR, IS THAT THIS 24 FITS WITHIN THE CASE LAW IN THE NINTH CIRCUIT 25 THAT'S SET FORTH, FOR EXAMPLE, IN THE AMF CASE AS</p>	<p style="text-align: right;">Page 96</p> <p>1 PRIOR ALLEGED WRONGFUL CONDUCT OUTSIDE THE 2 LIMITATIONS PERIOD. 3 IN THE – 4 THE COURT: ISN'T IT MORE THAN JUST A 5 REAFFIRMATION? IT'S ACQUIRING MORE PATENTS THAT 6 PRESUMABLY WOULD GIVE YOU MORE DOMINANCE IN THE 7 MARKET. 8 MR. MEYER: THAT MAY BE TRUE, YOUR HONOR. 9 BUT IT'S ACQUIRING MORE PATENTS THAT IS 10 BASED ON AND FLOWS NATURALLY FROM AND IS JUST A 11 NATURAL RESULT OF THE CONTROL OF THIS MARKET THAT 12 COUNTERCLAIMANTS ALLEGE THAT RAMBUS OBTAINED IN THE 13 1990S. 14 IT CAN – THE ALLEGATIONS SAY THAT BY 15 REASON OF THE INCORPORATION OF THE RAMBUS 16 TECHNOLOGY INTO THE JEDEC STANDARDS, RAMBUS 17 CONTROLLED THIS MARKET AND CONTROLLED THIS 18 TECHNOLOGY AND EVERYONE WAS LOCKED IN. 19 SO OF COURSE IT'S NO SURPRISE THAT THERE 20 COULD BE MORE PATENTS BASED ON THAT TECHNOLOGY, 21 THAT – OF WHICH THEY SAY RAMBUS OBTAINED CONTROL 22 IN THE 1990S. 23 BUT THE FACT THAT THERE'S THIS ADDITIONAL 24 BENEFIT FROM THE CONDUCT IN THE 1990S, THE COURTS 25 IN THE NINTH CIRCUIT AND ELSEWHERE SAY THE MERE</p>
<p style="text-align: right;">Page 95</p> <p>1 CITED IN OUR BRIEF. 2 WHAT THE ALLEGATIONS OF THESE 3 COUNTERCLAIMS ESTABLISH IS THAT, AS A RESULT OF 4 ALLEGED MISCONDUCT IN THE 1990S, RAMBUS OBTAINED 5 COMPLETE CONTROL OF THIS MARKET. 6 WHAT THEY ALLEGE IS THAT BY INCORPORATION 7 OF THE RAMBUS TECHNOLOGY INTO THE JEDEC STANDARDS 8 THESE COUNTERCLAIMANTS AND OTHER PARTIES HAD NO 9 ALTERNATIVE BUT TO CONTINUE TO USE RAMBUS 10 TECHNOLOGY IN THE FUTURE. 11 SO WHEN YOU ASK YOUR QUESTION, YOUR 12 HONOR, ABOUT THE ADDITIONAL PATENTS, WHAT THE 13 ALLEGATIONS IN THESE COUNTERCLAIMS ESTABLISH IS 14 THAT THE OBTAINING OF THESE ADDITIONAL PATENTS WAS 15 JUST A BENEFIT, IN ESSENCE, THAT RESULTED FROM THE 16 COMPLETE CONTROL OF THIS MARKET THAT RAMBUS 17 OBTAINED, ACCORDING TO THE ALLEGATIONS OF THESE 18 COUNTERCLAIMS, IN THE 1990S. 19 AND THE LAW IN THE NINTH CIRCUIT IS VERY 20 CLEAR THAT THE MERE FACT THAT A DEFENDANT OBTAINS A 21 CONTINUING BENEFIT FROM WHAT IS ALLEGED TO BE LEGAL 22 CONDUCT OUTSIDE THE LIMITATIONS PERIOD DOES NOT 23 RESTART THE STATUTE OF LIMITATIONS PERIOD. 24 IT'S MERELY A – IN EFFECT, AS THE COURT 25 SAID IN PACE, IT'S MERELY A REAFFIRMATION OF THIS</p>	<p style="text-align: right;">Page 97</p> <p>1 FACT THAT YOU'RE GETTING A BENEFIT DOES NOT RESTART 2 THE STATUTE OF LIMITATIONS PERIOD. 3 FOR EXAMPLE, YOUR HONOR, THAT'S THE 4 AURORA CASE IN THE NINTH CIRCUIT. THE NINTH 5 CIRCUIT IN THE AURORA CASE SAID THAT ANY OTHER RULE 6 WOULD DESTROY THE FUNCTION OF THE STATUTE OF 7 LIMITATIONS SINCE PARTIES MAY CONTINUE INDEFINITELY 8 TO RECEIVE SOME BENEFIT AS A RESULT OF A LEGAL ACT 9 PERFORMED IN THE PAST. 10 THE COURT: WHAT, THEORETICALLY, THOUGH, 11 IF ONE OF THE PARTIES SAID, AH, I DON'T LIKE THESE 12 PATENTS, BUT WE CAN LIVE WITH IT, AND THEN THEY SAW 13 ANOTHER ONE THAT WAS OBTAINED AND SAID, WHOO, THIS 14 ONE REALLY KILLS US. 15 THE STATUTE DOESN'T RESTART WITH THAT 16 ONE? 17 MR. MEYER: I DON'T THINK SO, YOUR HONOR. 18 BECAUSE I DON'T THINK THAT THAT'S CONSISTENT WITH 19 THE VERY, VERY CLEAR ALLEGATIONS WE HAVE IN THE 20 COUNTERCLAIMS, WHICH SAY THAT, AS A RESULT OF WHAT 21 ALLEGEDLY WAS DONE IN THE 1990S, THEY WERE LOCKED 22 INTO THE RAMBUS TECHNOLOGY. 23 SO IT WASN'T – IT WASN'T – IT WOULD NOT 24 BE A SITUATION AS THE COURT POSITED IN ITS 25 HYPOTHETICAL THAT, OH, THIS IS MORE THAN WE THOUGHT</p>

<p style="text-align: right;">Page 98</p> <p>1 RAMBUS HAD, OR OH, WE DON'T -- WE DIDN'T EXPECT 2 THIS. 3 THE VERY, VERY SPECIFIC ALLEGATIONS WE 4 HAVE IN THE COUNTERCLAIM PARAGRAPHS I REFERENCED, 5 YOUR HONOR, IS THAT AS A RESULT OF WHAT HAPPENED IN 6 THE 1990S, WELL OUTSIDE THE STATUTE OF LIMITATIONS 7 PERIOD, RAMBUS OBTAINED CONTROL OF THIS MARKET, AND 8 IT'S NO SURPRISE, THEN, THAT IT WOULD EXERCISE THAT 9 CONTROL THROUGH PATENTS OBTAINED IN THE PAST AND 10 PATENTS THAT MIGHT BE OBTAINED WITHIN THE 11 LIMITATIONS PERIOD. 12 IN THE AMF CASE, THE NINTH CIRCUIT TOOK 13 ACCOUNT OF THE FACT THAT THE DEFENDANTS HAD 14 OBTAINED CONTROL OF THE MARKET OUTSIDE OF THE 15 LIMITATIONS PERIOD. 16 AND THE PLAINTIFF SAID, WELL, THERE WERE 17 ACTS WITHIN THE LIMITATIONS PERIOD THAT HURT ME. 18 FOR EXAMPLE, THE DEFENDANTS CONTINUED TO REFUSE TO 19 DEAL WITH ME WITHIN THE LIMITATIONS PERIOD. 20 AND THE NINTH CIRCUIT SAID THAT WAS NOT A 21 NEW OVERT ACT. THAT DID NOTHING MORE THAN 22 ESSENTIALLY REAFFIRM THE COMPLETE CONTROL OF THE 23 MARKET THAT THE DEFENDANTS HAD OBTAINED OUTSIDE THE 24 STATUTE OF LIMITATIONS PERIOD, AND, THEREFORE, THE 25 CLAIM WAS TIME BARRED.</p>	<p style="text-align: right;">Page 100</p> <p>1 POINT, WHICH IS THAT THE NEW PATENTS RESTART THE 2 STATUTE. 3 THIS IS, IN FACT, WHAT'S PLED IN HYNIX'S 4 PAPERS, IT'S WHAT'S ARGUED IN THEIR OPPOSITION, AND 5 IT'S PRECISELY THE ARGUMENT THAT WENT UNANSWERED IN 6 RAMBUS'S REPLY. 7 AND WHY? BECAUSE, OF COURSE, THE PATENTS 8 REVEAL A CONTINUING COURSE OF CONDUCT. 9 THE PATENTS-IN-SUIT, I BELIEVE THEY ALL 10 ISSUED STARTING IN 2001 ON THROUGH UP TO AS LATE AS 11 2004, ALL WELL WITHIN THE LIMITATIONS PERIOD. 12 RAMBUS SEEMS TO SUGGEST THAT THERE SHOULD 13 BE A BRIGHT LINE OF DEMARCATION BETWEEN THE 14 ACTIVITIES IN THE '90S AND THE SUIT IN 2005 AND, OF 15 COURSE, THE COURSE OF CONDUCT ERASES ANY SUCH LINE 16 AND BRINGS ALL THE ANTICOMPETTIVE CONDUCT WELL 17 WITHIN THE LIMITATIONS PERIOD. 18 TO BE SURE, THE BEHAVIOR STARTED IN THE 19 '90S AT JEDEC, BUT IT HAS CONTINUED. 20 RAMBUS SUGGESTED BRIEFLY IN THE BRIEF, 21 AND MORE HERE IN ARGUMENT THIS AFTERNOON, THAT 22 SOMEHOW LOCK IN TOOK THEM OUTSIDE, PUSHED ALL THE 23 CONDUCT OUTSIDE OF THE LIMITATIONS PERIOD. 24 AND, OF COURSE, THE RELIANCE ON THAT 25 THEORY IS TERRIBLY MISPLACED.</p>
<p style="text-align: right;">Page 99</p> <p>1 AND THAT'S PRECISELY WHAT WE HAVE HERE, 2 YOUR HONOR. 3 THE COURT: OKAY. THANK YOU. 4 WHO'S GOING TO WANT TO ARGUE THIS? 5 MS. VAN KEULEN: JUST LET ME -- 6 THE COURT: WHO'S GOING TO ARGUE THIS? 7 MS. VAN KEULEN: I'M GOING TO RESPOND ON 8 BEHALF OF PLAINTIFFS. 9 THERE'S A COUPLE OF UNIQUE ISSUES THAT I 10 THINK THE OTHER -- 11 THE COURT: I WANT TO KNOW, BECAUSE I 12 WANT TO KNOW WHETHER I WANT TO TAKE A BREAK. 13 MR. BARZA: I WAS HOPING TO SPEAK FOR 14 MICRON ON THIS AS WELL, YOUR HONOR. 15 MR. FREITAS: I HAVE A COUPLE OF THINGS 16 FOR NANYA, YOUR HONOR. 17 THE COURT: OKAY. 18 MS. VAN KEULEN: PERHAPS A BREAK WOULD BE 19 A GOOD IDEA, YOUR HONOR. 20 (WHEREUPON, A RECESS WAS TAKEN.) 21 THE COURT: ALL RIGHT. MS. VAN KEULEN, 22 DID YOU WANT TO SPEAK? 23 MS. VAN KEULEN: THANK YOU, YOUR HONOR. 24 IN RESPONSE, LET ME JUST START HERE. THE 25 COURT'S QUESTION, OF COURSE, WAS EXACTLY RIGHT ON</p>	<p style="text-align: right;">Page 101</p> <p>1 LOCK IN IS A TECHNICAL CONCEPT THAT THE 2 MANUFACTURERS, AS THEY DEVELOPED THE TECHNOLOGY, 3 MADE A COMMITMENT TO A PATH OF TECHNOLOGY, AND FROM 4 THEIR INVESTMENT, COMMITMENT, SWITCHING COSTS AND 5 SO FORTH, WERE DEDICATED TO A PATH OF TECHNOLOGY. 6 THERE IS NOTHING IN THE LAW OR THE FACTS 7 THAT WOULD THEN SUGGEST THAT RAMBUS HAD THE RIGHT 8 TO GO ON AND CONTINUE ANTICOMPETTIVE CONDUCT. 9 OF COURSE, THAT'S WHAT WE'RE LOOKING AT 10 IN THE LIMITATIONS PERIOD IS RAMBUS'S CONDUCT. 11 AND, AGAIN, THE PATENTS, THE HISTORY OF 12 AMENDMENTS, THE ISSUING -- THE FILING AND THE 13 ISSUING ARE ALL FURTHERANCE OF THE ANTICOMPETTIVE 14 CONDUCT, WELL WITHIN THE LIMITATIONS PERIOD. 15 THE COURT: IF THERE WEREN'T NEW PATENTS 16 BUT THEY JUST CONTINUED TO ENFORCE OLD ONES, WHAT 17 WOULD YOUR ANSWER BE? 18 MS. VAN KEULEN: WELL, THERE ARE MANY 19 ASPECTS OF THEIR CONTINUING CONDUCT BESIDES JUST 20 THE AMENDMENTS TO THE PATENTS. 21 THERE'S THE CONTINUING TO ENFORCE THEIR 22 UNLAWFUL MONOPOLY THROUGH OUR TECHNOLOGY LICENSES 23 AND THROUGH ROYALTY DEMANDS, AND ULTIMATELY 24 CULMINATING IN THE SUIT IN 2005, ALL OF WHICH IS 25 EVIDENCE OF AN ONGOING COURSE OF CONDUCT OF</p>

26 (Pages 98 to 101)

<p style="text-align: right;">Page 102</p> <p>1 ANTICOMPETITIVE AND EXCLUSIONARY BEHAVIOR. 2 THE COURT: BUT WHAT IF IT WERE ALL BASED 3 ON THE SAME PATENTS? 4 IN OTHER WORDS, THERE WERE NO, NO NEW 5 PATENTS WITHIN THE STATUTE, BUT THEY JUST CONTINUED 6 TO LICENSE AND ENFORCE, WOULD THAT BE – START THE 7 STATUTE? 8 MS. VAN KEULEN: ABSOLUTELY. ALL OF THE 9 OVERT ACTS OF CONTINUING. 10 THE PATENTS ARE A GOOD, AND UNDOUBTEDLY 11 THE BEST, EXAMPLE, AND THEY ARE THE BEST EXAMPLE 12 BECAUSE, OF COURSE, THOSE GIVE RISE TO NEW INJURY 13 AND NEW DAMAGES. 14 AND THAT'S WHERE THEIR RELIANCE ON THE 15 LOCK IN THEORY, THAT SOMEHOW ALL OF OUR DAMAGES 16 ACCRUED IN THE '90S, IS MISPLACED, BECAUSE THE 17 TECHNOLOGY HAS MOVED ON. 18 AND THAT'S WHERE THE CONTRAST WITH AMF IS 19 MOST EVIDENCED. THE AMF CASE, OF COURSE, IS A 20 DISPUTE ON A REFUSAL TO DEAL RELATING TO THE 21 DEVELOPMENT OF AN EXHAUST SYSTEM WITH THE COMPANY 22 VERSUS THE AUTO MANUFACTURES. 23 THERE'S A DISTINCT, A SINGLE AND DISTINCT 24 REFUSAL TO DEAL, UNEQUIVOCAL, OUTSIDE THE 25 LIMITATIONS PERIOD.</p>	<p style="text-align: right;">Page 104</p> <p>1 AND COUNTERCLAIM. WE HELD OFF PENDING THIS HEARING 2 TO ADVISE THE COURT. WE WILL FILE IT TOMORROW. I 3 JUST WANTED THE COURT TO KNOW THAT. 4 THE COURT: OKAY. 5 MR. BARZA: IT WON'T CHANGE YOUR 6 SCHEDULING ORDER OR ANYTHING LIKE THAT. 7 IN ANY EVENT, COMING BACK, I BELIEVE THAT 8 YOU ARE CORRECT THAT THE NEW PATENTS ARE THEMSELVES 9 OVERT ACTS WITHIN THE LIMITATIONS PERIOD, WHICH IS 10 MORE THAN ENOUGH TO RESOLVE THIS. 11 IN ADDITION, WE HAVE ALLEGED IN OUR 12 OPPOSITION THAT THERE WERE ONGOING ACTS OF 13 LITIGATION MISCONDUCT, AND THOSE ARE NOT PRIVILEGED 14 UNDER SECTION 47 OF THE CALIFORNIA CIVIL CODE TO 15 THE EXTENT THEY INVOLVE THE DESTRUCTION OF 16 DOCUMENTS BECAUSE SUBSECTION 2 OF SECTION 47(B) 17 STATES, QUOTE, "THIS SUBDIVISION DOES NOT MAKE 18 PRIVILEGED ANY COMMUNICATIONS MADE IN FURTHERANCE 19 OF AN ACT OF INTENTIONAL DESTRUCTION OR ALTERATION 20 OF PHYSICAL EVIDENCE UNDERTAKEN FOR THE PURPOSE OF 21 DEPRIVING A PARTY TO THE LITIGATION OF THE USE 22 THEREOF." 23 FORGIVE ME. 24 SO WE THINK THERE ARE NUMEROUS CONTINUING 25 ACTS WITHIN THE LIMITATION PERIOD. AND WE THINK</p>
<p style="text-align: right;">Page 103</p> <p>1 AND THE ONLY OTHER ATTEMPT AT SHOWING AN 2 OVERT ACT IS REAFFIRMATION OF THOSE REFUSALS TO 3 DEAL. THAT'S WHAT THE COURT IS POINTING AT. 4 THAT IS IN STARK CONTRAST OF THE ACTIVITY 5 HERE OF CONTINUING AMENDMENTS, CONTINUATIONS, 6 ISSUING OF PATENTS, TRYING TO ENFORCE THOSE THROUGH 7 SEEKING ROYALTIES AND THE TECHNOLOGY LICENSES. 8 THE COURT: OKAY. THANK YOU. 9 MS. VAN KEULEN: THANK YOU. 10 MR. MEYER: YOUR HONOR, WOULD THE COURT 11 LIKE ME TO RESPOND TO THAT BEFORE THE OTHER PARTIES 12 COME UP? 13 THE COURT: I'D JUST AS SOON HEAR FROM 14 ALL THE DEFENDANTS, OR – 15 MR. BARZA: GOOD AFTERNOON, YOUR HONOR. 16 HAROLD BARZA OF QUINN, EMANUEL ARGUING FOR MICRON 17 THE COURT: ALL RIGHT. 18 MR. BARZA: FIRST OF ALL, I DO CONCUR IN 19 THE COURT'S OBSERVATION THAT BY OBTAINING NEW 20 PATENTS, THERE WERE CONTINUING ACTS WITHIN THE 21 LIMITATIONS PERIODS. 22 WE'VE ALSO ALLEGED IN OUR OPPOSITION – 23 ACTUALLY, BEFORE I GET INTO THIS, THERE'S ONE POINT 24 I WANT TO NOTIFY THE COURT OF. 25 WE ARE PLANNING TO FILE AN AMENDED ANSWER</p>	<p style="text-align: right;">Page 105</p> <p>1 SECTION 47 DOESN'T BAR THEM. 2 THERE IS A UNIQUE SITUATION WITH MICRON 3 NOT PRESENT WITH THE OTHER PARTIES HERE, WHICH IS 4 EQUITABLE TOLLING. 5 THE ELEMENTS OF EQUITABLE TOLLING IN 6 CALIFORNIA ARE THREE: TIMELY NOTICE BY THE FILING 7 OF THE FIRST CLAIM; A LACK OF PREJUDICE TO THE 8 DEFENDANT TO GATHER EVIDENCE TO DEFEND THE SECOND 9 CLAIM; AND GOOD FAITH AND REASONABLE CONDUCT IN 10 FILING THE SECOND CLAIM. 11 AND IN THIS CASE, MICRON HAS MET ALL 12 THREE OF THOSE ELEMENTS. 13 THE FIRST TIME THEY WERE PUT ON NOTICE OF 14 MICRON'S CLAIMS WAS IN DELAWARE IN A TIME WHEN THEY 15 ADMIT WAS WITHIN THE LIMITATION PERIOD. 16 THEY CLEARLY HAD AN OPPORTUNITY TO GATHER 17 ALL OF THEIR EVIDENCE RELATED TO THESE CLAIMS AT 18 THAT TIME, AND RAMBUS ACTED – AND MICRON ACTED IN 19 GOOD FAITH IN FILING THIS COUNTERCLAIM ONCE RAMBUS 20 BROUGHT INFRINGEMENT ACTIONS AGAINST MICRON HERE 21 RAMBUS SEEKS TO DISTINGUISH THE CLEAR 22 CASE LAW ON THIS BY ARGUING THAT THERE'S ANOTHER 23 ELEMENT TO THIS EQUITABLE TOLLING, THAT THE 24 REMEDIES SOUGHT HAVE TO BE INCONSISTENT OR 25 ALTERNATIVE.</p>

<p style="text-align: right;">Page 106</p> <p>1 BUT, IN FACT, IN THE COLLIER VERSUS CITY 2 OF PASADENA CASE, WHICH IS CITED IN THE BRIEFS, THE 3 COURT DISCUSSES AT LENGTH THIS CONCEPT OF EQUITABLE 4 TOLLING AND EXPRESSLY REJECTS THAT CONCEPT. 5 THE COURT NOTES THAT THE POLICY IS 6 FURTHERED ONCE THE PARTY HAS A CHANCE TO GATHER THE 7 EVIDENCE. 8 AND IT SAYS, QUOTE, "ONCE HE IS IN" -- 9 FORGIVE ME. 10 "SO LONG AS THE TWO CLAIMS ARE BASED ON 11 ESSENTIALLY THE SAME SET OF FACTS, TIMELY 12 INVESTIGATION OF THE FIRST CLAIM SHOULD PUT THE 13 DEFENDANT IN A POSITION TO APPROPRIATELY DEFEND THE 14 SECOND. 15 "ONCE HE IS IN THAT POSITION, THE 16 DEFENDANT IS ADEQUATELY PROTECTED FROM STALE CLAIMS 17 AND DETERIORATED EVIDENCE. 18 "IN TERMS OF THE UNDERLYING POLICIES OF 19 THE STATUTE OF LIMITATIONS, IT IS IRRELEVANT 20 WHETHER THOSE TWO CLAIMS ARE ALTERNATIVE OR 21 PARALLEL, CONSISTENT OR INCONSISTENT, COMPATIBLE OR 22 INCOMPATIBLE," AND THAT'S A SUMMARY OF VARIOUS 23 CASES, INCLUDING THE NICHOLS CASE THAT'S DISCUSSED 24 THERE. 25 SO IN MICRON'S CASE, I THINK WE HAVE A</p>	<p style="text-align: right;">Page 108</p> <p>1 THE ANTITRUST TOLLING DOCTRINE DOES WITH THE 2 SPECIFICATION OF A NEW OVERT ACT, CALL IT CAUSING 3 NEW DAMAGE. 4 SO I THINK THEY'RE ANALYTICALLY WRONG IN 5 THE WAY THEY'RE TRYING TO SPIN THE ANALYSIS. 6 ALSO, WITH RESPECT TO WHAT NANYA HAS 7 ARGUED IN OPPOSITION, WE'VE POINTED OUT THAT THE 8 ALLEGATIONS OF OUR COUNTERCLAIM SUPPORT A FINDING 9 OR SUPPORT OUR PROOF THAT WE WERE NOT INJURED, WE 10 DID NOT HAVE INJURY, IN FACT, UNTIL THEY SUED 11 WITHIN THE LIMITATIONS PERIOD. 12 NOW, THEY'VE ARGUED ABOUT THE LITIGATION 13 PRIVILEGE AND THEY'VE TRIED TO EQUATE THE ARGUMENT 14 THAT WE MAKE WITH THE BASING OF A CAUSE OF ACTION, 15 THE ATTEMPT TO SEEK RECOVERY OF DAMAGES ON THE 16 FILING OF THE COMPLAINT, AND THAT'S NOT WHAT WE 17 SAID. 18 WHAT WE SAID IS WITHIN THE LIMITATIONS 19 PERIOD WE WERE SUED. UNDER PROPOSITION 64, WE HAD 20 SUFFERED INJURY, IN FACT, AT THAT POINT. THE CAUSE 21 OF ACTION ACCRUED. IT'S TIMELY. 22 WE ARE NOT ARGUING THAT WE RECOVERED 23 DAMAGES BECAUSE THEY SUED. WE'RE SATISFYING THE 24 STANDING REQUIREMENT. 25 AND IN THAT REGARD, YOUR HONOR, THEY</p>
<p style="text-align: right;">Page 107</p> <p>1 CLEAR CASE OF EQUITABLE TOLLING. THERE'S NO BASIS 2 WHATSOEVER UPON WHICH NOT TO APPLY IT. 3 RAMBUS HAS NOT REALLY OFFERED ONE. THEY 4 MADE A POLICY ARGUMENT THAT THE DOCTRINE BE LIMITED 5 TO ALTERNATIVE OR INCONSISTENT RULINGS, BUT THE 6 CASE LAW DOESN'T SUPPORT IT, AND THE POLICY AND 7 RATIONAL UNDERLYING THE EQUITABLE DOCTRINE DOESN'T 8 SUPPORT IT. 9 THE LAST THING -- WELL, I'LL STOP WITH 10 THAT. 11 THE COURT: OKAY. 12 MR. BARZA: THANK YOU. 13 THE COURT: ANYBODY ELSE? 14 MR. FREITAS: GOOD AFTERNOON, YOUR HONOR. 15 A COUPLE POINTS. FIRST, I THINK THAT IN 16 THE ARGUMENT THAT RAMBUS HAS MADE ABOUT RESTARTING 17 THE STATUTE OF LIMITATIONS, WHAT THEY'VE DONE IS 18 THEY'VE TAKEN THE ANTITRUST TOLLING DOCTRINE AND 19 TAKEN THE FRAMEWORK FROM THAT AND APPLIED THAT TO 20 17200. 21 I WOULD SUGGEST THAT THE SUH CASE 22 DISCUSSES A DIFFERENT KIND OF ANALYSIS UNDER 23 SECTION 17200. WHAT SUH REFERS TO IS A CONTINUING 24 COURSE OF CONDUCT. 25 IT DOESN'T REQUIRE THE SAME RIGIDITY THAT</p>	<p style="text-align: right;">Page 109</p> <p>1 ATTEMPT TO AVOID THAT ARGUMENT BY SAYING THAT WE 2 PLEADED THAT WE WERE DAMAGED BEFORE THE LIMITATIONS 3 PERIOD, SO THEY TRY TO SAY THE COUNTERCLAIM WON'T 4 SUPPORT THE IDEA THAT THE INJURY FIRST TOOK PLACE 5 WITHIN THE LIMITATIONS PERIOD. 6 AND WHAT THEY DO THERE IS THEY DO WHAT 7 THEY TRY TO DO WITH THE OTHER MANUFACTURES. 8 YOU HEARD COUNSEL TODAY SAY THAT MICRON 9 AND HYNIX HAD PLEADED LOCK IN. HE DIDN'T SAY THAT 10 NANYA DID. 11 AND, IN FACT, IF YOU LOOK AT FOOTNOTE 6 12 IN THEIR REPLY BRIEF, THEY ADMIT THAT NANYA MADE NO 13 SUCH ALLEGATION, AND THEN THEY CITE TO PARAGRAPH 14 192 OF OUR COUNTERCLAIM AND THEY SAY WE SAID THE 15 SAME THING. 16 THAT'S WRONG. WE DID NOT. 17 AND WHEN THE COUNTERCLAIM IS READ, AS IT 18 MUST BE UNDER RULE 12(B)(6), IT'S CLEAR THAT THE 19 THEORY THAT WE DIDN'T SUFFER INJURY IN FACT UNTIL 20 WE WERE SUED IS A VALID THEORY THAT SUPPORTS 21 DEFEATING THE LIMITATIONS ARGUMENT. 22 AND ALSO, YOUR HONOR, WITH RESPECT TO THE 23 FILING OF THE LAWSUIT, THEY'VE ARGUED THAT THE 24 CALIFORNIA LITIGATION PRIVILEGE IS A BAR TO ANY 25 RELIANCE ON THE FILING OF THE LITIGATION WITHIN THE</p>

<p style="text-align: right;">Page 110</p> <p>1 LIMITATIONS PERIOD. 2 NOW, THAT, OF COURSE, ISN'T TRUE WITH 3 RESPECT TO A WALKER PROCESS OR A HANDGARDS CLAIM. 4 THOSE ARE SECTION 2 THEORIES UNDER FEDERAL LAW AND 5 THE LITIGATION PRIVILEGE ABSOLUTELY DOES NOT APPLY. 6 THEIR ANSWER TO THAT IN THEIR REPLY BRIEF 7 IS THAT WALKER PROCESS AND HANDGARDS ARE NOT 8 LIMITATIONS CASES. 9 WELL, THAT'S NOT THE POINT WE'RE MAKING. 10 THE POINT WE'RE MAKING IS THAT WE ARE 11 ABLE, UNDER 17200, TO SUE THEM FOR THE FILING OF 12 BAD FAITH PATENT LITIGATION WITHIN THE LIMITATIONS 13 PERIOD UNDER FEDERAL LAW, AND OF COURSE 17200 14 BORROWS VIOLATIONS OF FEDERAL LAW. 15 SO TO THAT EXTENT, THE LITIGATION 16 PRIVILEGE ARGUMENT DOESN'T GET ANYWHERE. 17 AND I THINK OUR -- 18 THE COURT: WELL, 17200 BORROWS FEDERAL 19 LAW. THAT DOESN'T MAKE IT A FEDERAL CLAIM. IT'S 20 STILL A STATE CLAIM. 21 MR. FREITAS: IT DOES NOT MAKE IT A 22 FEDERAL CLAIM, YOUR HONOR. 23 BUT WHAT IT DOES, AND THE CASES ESTABLISH 24 THAT IF IT'S UNLAWFUL UNDER FEDERAL LAW, IT'S 25 UNLAWFUL FOR PURPOSES OF 17200.</p>	<p style="text-align: right;">Page 112</p> <p>1 SOME OF THE POINTS THAT WERE MADE BY 2 COUNTERCLAIMANTS. 3 WITH RESPECT TO THE QUESTION AS TO 4 WHETHER THE FILING OF A LAWSUIT -- WHETHER A WALKER 5 PATENT OR A HANDGARDS CASE WOULD SUPPORT A 17200 6 CLAIM, THE COMMENT YOUR HONOR GAVE WAS EXACTLY 7 RIGHT. 8 WHETHER OR NOT THERE'S SUCH A CLAIM UNDER 9 FEDERAL LAW, STATE LAW IS ABSOLUTELY CLEAR THAT A 10 STATE LAW TORT CLAIM OR A STATE LAW 17200 CLAIM 11 CANNOT BE BASED ON CONDUCT THAT IS PRIVILEGED UNDER 12 CIVIL CODE SECTION 47(B). 13 AND AS YOUR HONOR STATED, WHAT THEY'RE 14 TRYING TO DO HERE IS TO BASE A STATE LAW 17200 15 CLAIM ON LITIGATION PRIVILEGE CONDUCT, AND THE CASE 16 LAW SAYS THEY JUST CAN'T, THEY CAN'T DO THAT. 17 WITH RESPECT TO THIS QUESTION, YOUR 18 HONOR, OF THE CONTINUING ACTS, IN HYNIX'S ARGUMENT 19 THAT LOCK IN WAS SUPPOSEDLY SOME TECHNICAL OR 20 TECHNOLOGY TERM, I WOULD ASK YOUR HONOR TO LOOK AT 21 PARAGRAPH 211.11 OF HYNIX'S COUNTERCLAIM. 22 IN ESSENCE, WHAT IT SAYS IS THAT THE DRAM 23 INDUSTRY WAS LOCKED INTO SDRAM AND DDR SDRAM 24 STANDARDS BY 2000. 25 I'M GOING TO SKIP A SENTENCE, BUT IT'S</p>
<p style="text-align: right;">Page 111</p> <p>1 AND WE HAVE A VALID SECTION 2 THEORY. 2 THAT CREATES SOMETHING UNLAWFUL UNDER FEDERAL LAW 3 AND IT CAN BE BORROWED. 4 BUT IN ANY EVENT, WE AREN'T SAYING THAT 5 THE, THAT THE FILING OF THE LAWSUIT ON THE BASIS OF 6 THE FIRST ARGUMENT I MADE, THAT THE FILING OF THE 7 LAWSUIT HAS TO BE RELIED ON AS PART OF THE CAUSE OF 8 ACTION. IT SIMPLY ESTABLISHES OUR STANDING. 9 AND THE LITIGATION PRIVILEGE DOESN'T BAR 10 THAT BECAUSE WE'RE NOT TRYING TO RECOVER DAMAGES. 11 AND, OF COURSE, YOUR HONOR, NONE OF THE 12 POINTS I'VE MADE MATTER IF THE POINT YOUR HONOR 13 FIRST MADE GOVERNS THIS RULING, WHICH WE THINK IT 14 DOES. 15 THE CONTINUING COURSE OF CONDUCT UNDER 16 SUH INCLUDES THE ACQUISITION OF NEW PATENTS. 17 THAT'S AN ONGOING COURSE OF CONDUCT. THERE'S NO 18 LIMITATIONS PROBLEM. 19 IT ISN'T NECESSARY THAT WE HAVE TO SHOW 20 OR PLEAD NEW OVERT ACTS WITH NEW DAMAGE. IT'S 21 ENOUGH UNDER THE RULE OF SUH, WHICH IS DIFFERENT, 22 TO SHOW AN ONGOING COURSE OF CONDUCT. 23 THANK YOU, YOUR HONOR. 24 MR. MEYER: YOUR HONOR, LET ME START AT 25 THE END AND THEN I'LL COME BACK AND COVER QUICKLY</p>	<p style="text-align: right;">Page 113</p> <p>1 NOT MATERIAL TO THIS POINT. 2 RAMBUS'S PATENTED TECHNOLOGIES IN 2000 3 AND -- THERE'S AN "AND" THAT SHOULDN'T BE THERE -- 4 RAMBUS'S PATENTED TECHNOLOGY IN 2000 CONFERRED 5 DURABLE MONOPOLY POWER WITH RESPECT TO SDRAM, AND 6 LOCK IN WAS SIGNIFICANT BY 2000 WITH REGARD TO DDR 7 SDRAM AND GAVE RISE TO RAMBUS'S DURABLE MONOPOLY 8 POWER. 9 MICRON HAS A SIMILAR ALLEGATION. 10 NANYA IS CORRECT THAT THEY DON'T USE THE 11 SAME LANGUAGE, BUT THE SUBSTANCE OF THE PARAGRAPH 12 IS THE SAME. THAT'S PARAGRAPH 192 OF ITS 13 COUNTERCLAIM. 14 WHAT THEY'RE SAYING IS THAT EVERYTHING 15 THAT WAS DONE BEFORE 2000 WAS THE PRECURSOR TO 16 THESE, TO OBTAINING ADDITIONAL PATENTS AFTER 2000. 17 IN THE WORDS OF THE CIRCUIT COURTS, IT 18 WAS AN EXPECTED BENEFIT. IT WAS A RIPPLE EFFECT OF 19 THE CONTROL THAT WAS OBTAINED BEFORE 2000. 20 AND WHAT THE CASE LAW SAYS IS THAT IF 21 COUNTERCLAIMANTS WERE GOING TO SUE BASED ON THAT, 22 THEY WERE REQUIRED TO SUE WITHIN FOUR YEARS OF 23 THOSE ALLEGED WRONGFUL ACTS BEFORE 2000. 24 MICRON SAYS THAT THE DESTRUCTION OF 25 DOCUMENTS IS NOT PRIVILEGED UNDER CIVIL CODE</p>

<p style="text-align: right;">Page 114</p> <p>1 SECTION 47(B). 2 THAT IS TRUE. 3 BUT THEY IGNORE THE CASE LAW CITED IN 4 RAMBUS'S REPLY IN RESPONSE TO THAT ARGUMENT THAT 5 CALIFORNIA CASE LAW IN THE RASHENE CASE, CITING THE 6 CEDARS-SINAI CALIFORNIA SUPREME COURT CASE, SAYS 7 THAT NO CAUSE OF ACTION UNDER STATE LAW CAN BE 8 BASED ON THE INTENTIONAL DESTRUCTION OF EVIDENCE. 9 THAT IS THE SAME POLICY THAT UNDERLIES 10 CIVIL CODE SECTION 47(B), ALTHOUGH IT'S A DIFFERENT 11 PRINCIPLE OF LAW ESTABLISHED BY CASE LAW THAT SETS 12 FORTH THAT RULE. 13 MICRON SAYS THAT EQUITABLE TOLLING 14 APPLIES, AND MR. BARZA GIVES YOU THREE ELEMENTS 15 THAT HE SAYS ARE NECESSARY. 16 WHAT MICRON IGNORES IS THAT THE CASE LAW 17 MAKES CLEAR THAT THIS IS SUPPOSED TO BE AN 18 EQUITABLE DOCTRINE AND IT'S SUPPOSED TO BE A 19 DOCTRINE THAT SAVES TIME, SAVES MONEY, AND SAVES 20 BURDENS ON THE COURTS. 21 SO THE CIRCUMSTANCES IN WHICH IT ARISES 22 ARE THOSE, FOR EXAMPLE, WHERE A CLAIMANT IS 23 REQUIRED FIRST TO EXHAUST ADMINISTRATIVE REMEDIES 24 AND DOES THAT BEFORE FILING A LAWSUIT. 25 EQUITABLE TOLLING WOULD SAY THAT THE</p>	<p style="text-align: right;">Page 116</p> <p>1 JUST IS RIDICULOUS. 2 AND SO HERE EQUITABLE TOLLING SHOULD NOT 3 SAVE AN OTHERWISE TIME BARRED CLAIM. 4 NANYA SAYS THAT THIS SUH CASE IN THE 5 NORTHERN DISTRICT OF CALIFORNIA REALLY SETS FORTH 6 THE STATUTE OF LIMITATIONS, CONTINUING COURSE OF 7 CONDUCT LAW THAT SHOULD BE FOLLOWED. 8 WHAT WE HAVE HERE IS WE HAVE A SITUATION 9 OF APPLES AND ORANGES. TO THE EXTENT THAT ANY OF 10 THESE COUNTERCLAIMANTS ARE ARGUING THAT THERE WAS 11 SOME ANTITRUST VIOLATION, ABUSE OF A PATENT, USE OF 12 MONOPOLY POWER, OR ANYTHING ELSE WITHIN THE FOUR 13 YEAR LIMITATIONS PERIOD, THAT BRINGS ABOUT THE 14 QUESTION UNDER THE CONTINUING VIOLATION ANTITRUST 15 DOCTRINE OF WHETHER THERE'S AN OVERT ACT THAT WOULD 16 RESTART THE STATUTE OF LIMITATIONS. 17 SO TO THE EXTENT THEY'RE TRYING TO RELY 18 ON AN ANTITRUST VIOLATION, WE LOOK AT THE ANTITRUST 19 LAW. 20 THE SUH CASE INVOLVED A SITUATION WHERE 21 THERE WERE CONTINUING ACTS OF TRADEMARK 22 INFRINGEMENT WITHIN THE LIMITATIONS PERIOD. 23 WELL, OF COURSE, IF THERE'S NEW TRADEMARK 24 INFRINGEMENT CONDUCT, THE LIMITATIONS PERIOD, THAT 25 COULD RESTART THE STATUTE OF LIMITATIONS.</p>
<p style="text-align: right;">Page 115</p> <p>1 STATUTE WOULD START TO RUN FROM WHEN THE 2 ADMINISTRATIVE CLAIM WAS FILED, NOT JUST FROM THE 3 LAWSUIT, AND THAT MAKES GOOD SENSE BECAUSE THAT WAS 4 A REMEDY THAT NEEDED TO BE PURSUED FIRST. 5 THE OTHER SITUATION IN WHICH EQUITABLE 6 TOLLING COMES UP IS WHERE, FOR EXAMPLE, IN THE 7 CASES, AN INJURED EMPLOYEE FILES A WORKERS' 8 COMPENSATION CLAIM, AND WHEN THAT IS UNSUCCESSFUL, 9 FILES A DISABILITY CLAIM. 10 OR WHERE AN EMPLOYEE WHO WAS TERMINATED 11 FILED A CLAIM FOR REINSTATEMENT AND THEN FILES, 12 WHEN THAT REINSTATEMENT CLAIM IS UNSUCCESSFUL, 13 FILES A CLAIM FOR WRONGFUL TERMINATION. 14 ALL THESE CASES INVOLVE THE EQUITABLE 15 PURPOSE OF ATTEMPTING TO REDUCE COSTS, MINIMIZE 16 INJURY, AND AVOID DUPLICATIVE LITIGATION. 17 WHAT WE HAVE HERE, YOUR HONOR, IS EXACTLY 18 THE OPPOSITE. WE HAVE MICRON FILING A LAWSUIT IN 19 2000 IN DELAWARE; AMENDING THAT LAWSUIT, I THINK IT 20 WAS IN 2001; WHILE THAT LAWSUIT WAS PENDING, FILING 21 ESSENTIALLY THE SAME CLAIMS HERE SEEKING 22 ESSENTIALLY THE SAME REDRESS HERE. 23 TO SAY THAT THERE'S SOME EQUITABLE 24 TOLLING DOCTRINE THAT SHOULD APPLY TO TWO LAWSUITS 25 GOING ON AT THE SAME TIME IN TWO DIFFERENCE COURTS</p>	<p style="text-align: right;">Page 117</p> <p>1 BUT THAT HAS NOTHING TO DO WITH THIS 2 QUESTION ABOUT WHETHER SOME ACT ALLEGED TO BE AN 3 ANTITRUST VIOLATION IS WITHIN THE -- IS AN OVERT 4 ACT THAT, UNDER THE LAW, COULD BE DEEMED TO BE 5 SOMETHING THAT COULD RESTART THE STATUTE OF 6 LIMITATIONS AND CONSTITUTE AN ANTITRUST VIOLATION. 7 IT'S JUST APPLES AND ORANGES. 8 NANYA SAYS THAT THEY HAVE NO INJURY UNTIL 9 THIS LAWSUIT WAS FILED AGAINST THEM. 10 YOUR HONOR, THAT'S REALLY WRONG FOR TWO 11 REASONS. ONE IS THAT -- THE FIRST IS THAT, AS THIS 12 COURT HAS PREVIOUSLY RECOGNIZED, AND I THINK 13 COUNTERCLAIMANTS ACKNOWLEDGE, THEY CAN'T BASE A 14 17200 CLAIM ON THE FILING OF THIS LAWSUIT, OR ANY 15 LAWSUIT, BECAUSE IT'S ABSOLUTELY PRIVILEGED UNDER 16 CIVIL CODE SECTION 47(B). 17 BY SAYING THAT THEY CAN START THE STATUTE 18 OF LIMITATIONS ON THE FILING OF A LAWSUIT, THEY'RE 19 GOING AGAINST THE RULE UNDER 47(B), AND THAT'S 20 ESSENTIALLY WHAT THE THOMPSON CASE SAYS THAT'S 21 CITED IN OUR REPLY PAPERS, YOUR HONOR. 22 IN THOMPSON, A PARTY TRIED TO ARGUE THAT 23 CONDUCT THAT WAS PRIVILEGED UNDER 47(B) COULD SERV 24 AS A BASIS TO AN ACT WITHIN THE LIMITATIONS PERIOD 25 OF 17200.</p>

<p style="text-align: right;">Page 118</p> <p>1 AND THE COURT OF APPEALS SAID THAT'S NOT 2 RIGHT. YOU CANNOT BASE A VIOLATION -- YOU CANNOT 3 START THE STATUTE OF LIMITATIONS, BASE THE STATUTE 4 OF LIMITATIONS ON CONDUCT THAT'S OTHERWISE 5 PRIVILEGED. 6 THE SECOND REASON THAT THERE'S NO, THAT 7 THEY CAN'T SAY THAT THE INJURY STARTED WITH THIS 8 LAWSUIT IS THAT NANYA'S OWN ALLEGATIONS IN ITS 9 COUNTERCLAIM, YOUR HONOR, ALLEGE VERY CLEARLY 10 THAT -- THIS IS PARAGRAPHS 192, 201, 205.4, 209, 11 220, AND 224 -- ALLEGE THAT NANYA'S -- THAT NANYA 12 SUSTAINED INJURY AS A RESULT OF THE ATTEMPT BY 13 RAMBUS, BACK IN THE 1990S, TO OBTAIN CONTROL OF 14 THIS MARKET. 15 AND THE LAW IN THE FEDERAL COURTS AND THE 16 LAW IN THE STATE COURTS IS ABSOLUTELY CLEAR THAT 17 ALL YOU NEED IS SOME INJURY TO START THE STATUTE OF 18 LIMITATIONS RUNNING. 19 YOU CAN'T WAIT AND SAY WE WANT TO HAVE 20 COMPLETE INJURY OR A DIFFERENT INJURY. 21 BECAUSE NANYA'S OWN ALLEGATIONS ESTABLISH 22 THAT THEY HAD INJURY OUTSIDE THE LIMITATIONS 23 PERIOD, THE STATUTE OF LIMITATIONS BEGAN TO RUN. 24 UNLESS THE COURT HAS QUESTIONS, THAT'S 25 WHAT I HAVE.</p>	<p style="text-align: right;">Page 120</p> <p>1 YOU OF THAT REQUEST AND SEE IF -- 2 THE COURT: I'LL LET YOU DO THAT IF YOU 3 WANT. 4 MR. STONE: THANK YOU. 5 THE COURT: OKAY. THANK YOU VERY MUCH. 6 MR. BARZA: THANK YOU, YOUR HONOR. 7 MR. NISSLY: THANK YOU, YOUR HONOR. 8 MR. STONE: THANK YOU, YOUR HONOR. 9 (WHEREUPON, THE PROCEEDINGS IN THIS 10 MATTER WERE CONCLUDED.) 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>
<p style="text-align: right;">Page 119</p> <p>1 THE COURT: NO. THANK YOU. 2 ALL RIGHT. I THINK THAT CONCLUDES 3 TODAY'S SESSION, UNLESS THERE'S SOMETHING THAT I'VE 4 FORGOTTEN. 5 I APPRECIATE ALL YOUR GOOD WORK, AND -- 6 MR. STONE: COULD I JUST CLARIFY TWO 7 MINOR CALENDARING ISSUES, YOUR HONOR? 8 THE COURT: YES. 9 MR. STONE: YOU -- MR. BOBROW HAD ASKED 10 YOU IF THE DEADLINE FOR EXCHANGING CLAIM TERMS 11 COULD BE DELAYED, AND I HAD ARGUED -- AND YOU HAD 12 SAID YES, IT SEEMED LIKE A SENSIBLE IDEA TO YOU, 13 AND I HAD ARGUED AGAINST IT AND WE NEVER CAME BACK 14 TO IT. 15 I UNDERSTAND YOU PROBABLY GRANTED THAT 16 RELIEF, BUT COULD WE SET A DATE, PERHAPS A WEEK 17 AFTER WE SUBMIT OUR NEW REDUCED SET OF CLAIMS? 18 THE COURT: DOES THAT WORK FOR EVERYBODY? 19 MR. NISSLY: YES, YOUR HONOR, THAT'S FINE 20 WITH US. 21 THE COURT: OKAY. 22 MR. STONE: AND THEN WITH RESPECT TO THE 23 CLAIMS, I HAD ASKED YOU IF WE COULD NOT BE REQUIRED 24 TO ELECT ONE FROM EACH OF THE 22 PATENTS, BUT COULD 25 HAVE SOME FLEXIBILITY, AND I WANTED TO JUST REMIND</p>	

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EXHIBIT C



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In Farmwald et al.
Reexamination Proceeding
Control No. 95/000,178
Original Request Deposited: September 15, 2006
For: U.S. Patent No. 6,324,120

: DECISION ON
: PETITION TO
: VACATE *INTER PARTES*
: REEXAMINATION
: FILING DATE

On July 13, 2007, the patent owner filed a petition, entitled "Petition to Vacate the Orders Granting Reexamination," which requests that the Director vacate a portion or all entire order granting reexamination. The petition also requested suspension of the rules under 37 CFR 1.183 in order to seek entry of the petition.

A \$400.00 petition fee was collected from patent owner for the petition under 37 CFR 1.183. The Requester's Opposition is, likewise, taken as a petition under 37 CFR 1.183 (for waiver of 37 CFR 1.939(b)). Therefore, a \$400.00 petition fee was charged to counsel's deposit account as authorized by the third party requester.

The petition and *inter partes* reexamination request papers deposited on October 6, 2006, are before the Office of Patent Legal Administration for consideration.

SUMMARY

A. The request for suspension of the rules under 37 CFR 1.183 is granted (and 37 CFR 1.939(b) is waived) so that the petition can be entered and considered on the merits.



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In Farmwald et al.
Reexamination Proceeding
Control No. 95/000,178
Original Request Deposited: September 15, 2006
For: U.S. Patent No. 6,324,120

: DECISION ON
: PETITION TO
: VACATE *INTER PARTES*
: REEXAMINATION
: FILING DATE

On July 13, 2007, the patent owner filed a petition, entitled "Petition to Vacate the Orders Granting Reexamination," which requests that the Director vacate a portion or all entire order granting reexamination. The petition also requested suspension of the rules under 37 CFR 1.183 in order to seek entry of the petition.

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The petition and *inter partes* reexamination request papers deposited on October 6, 2006, are before the Office of Patent Legal Administration for consideration.

SUMMARY

A. The request for suspension of the rules under 37 CFR 1.183 is granted (and 37 CFR 1.939(b) is waived) so that the petition can be entered and considered on the merits.

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grounds that the request did not properly identify the real party in interest, in accordance with the reexamination statute and regulations.

8. On May 31, 2007, the Office mailed a Notice advising the third party requester that it had the right to file an opposition to the May 15, 2007 patent owner petition, and establishing a time period for requester to do so.

9. On June 14, 2007, third party requester timely filed petition papers opposing the May 15, 2007 patent owner petition.

10. On July 13, 2007, the patent owner filed the present petition, entitled "Petition to Vacate the Orders Granting Reexamination" (hereinafter "the Petition") based upon the assertion that the request failed to comply with 35 U.S.C. 301 and 311 and 37 CFR 1.915 by including inappropriate allegations in the request for reexamination.

11. On July 26, 2007, the third party requester filed a paper entitled "Third-Party Requester's Petition and Opposition to Petition to Vacate Orders Granting Reexamination" (hereinafter "Requester's Opposition"), opposing the July 13, 2007 patent owner petition.

DECISION

The patent owner has filed the Petition to request that the Office vacate the order granting reexamination of the '178 *inter partes* reexamination proceeding. The patent owner's request to vacate the order granting reexamination is based upon the assertion that the requester has failed to comply with 35 U.S.C. 301 and 311 and 37 CFR 1.915 by including allegations of fraud and misconduct in the request for reexamination. The Petition also asserts that the Office had no authority to decide whether the '120 patent claims are entitled to the benefit of earlier-filed applications, because to do so, would, in effect, be a determination of whether the specification of the '120 patent provides the required written description under 35 U.S.C. 112, first paragraph, to the claimed invention. The patent owner asserts this is true because the specifications of the earlier-filed applications have essentially the same disclosure of that of the '120 patent.

A) Whether the Filing Date Should be Vacated

After a patent is granted, entry of information in a patent file is limited.

35 U.S.C. 301 provides a mechanism for obtaining entry of certain information into a patent file, as follows:

"Any person at any time may cite to the Office in writing prior art consisting of patents or printed publications which that person believes to have a bearing on the patentability of any claim of a particular patent. If the person explains in writing the pertinency and manner of applying such prior art to at least one claim of the patent, the citation of such prior art and the explanation thereof will become a part of the official file of the patent. At the written request

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of the person citing the prior art, his or her identity will be excluded from the patent file and kept confidential.”

[Emphasis Added]

35 U.S.C. 311 provides a mechanism for requesting *inter partes* reexamination of a patent, as follows:

“(a) IN GENERAL.- Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of section 301.

“(b) REQUIREMENTS.- The request shall-

(1) be in writing, include the identity of the real party in interest, and be accompanied by payment of an inter partes reexamination fee established by the Director under section 41; and

(2) set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested.

“(c) COPY.- The Director promptly shall send a copy of the request to the owner of record of the patent.”

[Emphasis Added]

In the present instance, entry of the request materials, and the information contained therein, would be grounded on 35 U.S.C §§ 301 and 311. Upon further review of the proceeding papers, the request is found not to be compliant with 35 U.S.C. §§ 301 and 311, and the relevant implementing regulation, 37 CFR 1.915. Accordingly, entry of the request, which in-effect would become a part of the patent, is not appropriate in this instance. The corrected request, deposited October 6, 2006, contains a discussion of litigation, *including allegations of fraud and misconduct on the part of the patent owner* (e.g., see pages 3 to 6 of the request dated October 6, 2006). This discussion about the prior litigation has no bearing on how patents or printed publications might establish/raise a substantial new question of patentability (SNQ).

Accordingly, the examiner in the determination of whether a SNQ is raised, or in any subsequent patentability determination must not consider it. There is simply no statutory authority for entry of such material into the patent.¹ Even if entry in a patent of such information in a patent were provided for outside of the reexamination setting, entry in the present reexamination setting would unduly lengthen and complicate the record by the inclusion of material not relevant to the conduct of a reexamination proceeding, potentially making consideration by the examiner, or anyone else reviewing the file, difficult and unfocused. Therefore, the discussion in the request of *allegations of fraud and misconduct on the part of the patent owner* pertaining to the litigation and other issues is clearly inappropriate in the present *inter partes* reexamination proceeding. As such, the request papers dated October 6, 2006, which would become part of the patent’s record

¹ It is also observed that the presence of such information in the public record could potentially have a negative or prejudicial effect on the public perception of the patent, despite the fact that there is no statutory authority for entry of such material into the patent.

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if retained, do not have an entry right, in accordance with 35 U.S.C. §§ 301 and 311, and 37 CFR 1.915.

A request for *inter partes* reexamination must not include information that is not permitted to be entered into the record. 35 U.S.C. 311 only establishes reexamination based upon prior art as provided for in 35 U.S.C. 301, and it sets forth the requirements for reexamination, which include stating the pertinence and manner of applying the cited art. 37 CFR 1.915 implements 35 U.S.C. 311 to set out the requirements for requesting *inter partes* reexamination of a patent. Nothing in the law permits disclosure of material that contains allegations of impropriety and improper behavior that does not go to the merits of the patentability of any of the claims, and only pertains to issues that are not permitted in reexamination proceedings.

A third party requester can provide certain information pertaining to litigation involving the patent for which reexamination is being requested under policy set forth in the Office's rules and procedures. In an *inter partes* reexamination proceeding, parties may provide notice to the Office of prior or concurrent proceedings in which the patent (for which reexamination was requested) is or was involved, including interferences, reissues, reexaminations, or litigations, and the results of such proceedings. MPEP § 2686 explains the requirements for entry of such notice under 37 CFR 1.985 that is proffered by parties. As to a third party providing information pertaining to litigation, MPEP § 2686 states:

"Persons making such submissions must limit the submissions to the notification, and must not include further arguments or information. Where a submission is not limited to bare notice of the prior or concurrent proceedings (in which a patent undergoing reexamination is or was involved), the submission will be returned by the Office."

In a request for reexamination, a third party requester may go further. The third party requester can provide information pertaining to litigation which impacts on how prior art consisting of patents or printed publications has "a bearing on the patentability of any claim of a particular patent" (35 U.S.C. 301), and how the litigation relates to "the pertinency and manner of applying cited prior art to every claim for which reexamination is requested" (35 U.S.C. 311). A discussion of litigation, including allegations of fraud and misconduct on the part of the patent owner (conduct issues), however, goes beyond what is permitted. And thus, it is not entitled to entry in a patent; by reexamination request, or by any other vehicle. As pointed out above, the request papers deposited October 6, 2006 contain inappropriate comments directed to conduct issues, that are not permitted under 35 U.S.C. §§ 301 and 311 and 37 CFR 1.915, or under any other provision of the statute and rules. Accordingly, the request papers deposited October 6, 2006, should not have been entered into the record. The October 6, 2006 request papers were, however, entered into the electronic Image File Wrapper (IFW) for the proceeding prior to discovery of the defects precluding entry of the request. Accordingly, the October 6, 2006 request papers are being expunged from the record, by closing the papers and marking them "not public" within the IFW.

Since the filing date is vacated, the order mailed December 26, 2006 is also hereby vacated.

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The third party requester in the Request's Opposition filed July 26, 2007 advances that the patent owner's Petition is neither timely nor proper, and therefore, should be dismissed. Specifically, the third party requester quotes MPEP 2646, which states that a finding that a substantial new question of patentability exists in an order granting reexamination cannot be challenged via a petition. The third party requester also states that only a petition to vacate a reexamination order as *ultra vires* may be filed, and that the patent owner has not alleged that the allegations of fraud and misconduct in the request were relied upon by the examiner in the order granting reexamination. The Requester's Opposition also quotes MPEP 2616, which states that "[q]uestions relating to grounds of rejection other than those based on prior art patents or printed publications should not be included and will not be considered by the examiner if included." The third party requester concludes there is no *ultra vires* criterion upon which to vacate the orders granting reexamination, and that any allegations of fraud and misconduct in the request for reexamination are harmless because the examiner did not rely on the allegations.

To address the third party's arguments, the rules and procedures are clear that it is within the Office's discretion to determine if allegations of fraud or misconduct are so inflammatory that the paper should not be entered into the record, or as an alternative, the paper will be entered but the examiner will be instructed to ignore the offending statements. See 37 CFR 1.939(a) and MPEP 2667. In this instance, as explained above, the allegations of fraud and misconduct are inappropriate comments directed to conduct issues, that are not permitted under 35 U.S.C. §§ 301 and 311 and 37 CFR 1.915, or under any other provision of the statute and rules. Accordingly, entry of the request, which in-effect would become a part of the patent, is not appropriate in this instance. In this instance, to address this defect, it is a simple matter of requester filing a request with the inappropriate materials deleted. Requester has already done so in control number 95/000,250, and a filing date has been granted for that proceeding.

B) Whether the Office has the Authority to Decide if the '120 patent claims are Entitled to the Benefit of Earlier-Filed Applications.

This issue is not ripe for consideration because the filing date for the reexamination proceeding is being vacated. If the request is made filing date compliant, and another order for reexamination is issued, then the issue can become ripe for consideration.

REQUESTER'S RECOURSE

In view of the October 13, 2006 "Notice of Reexamination Request Filing Date" mailed for the '178 proceeding, the requester is being given an opportunity to correct the request.

I. Requester has the option to respond to this identification of defects in the request papers by:

Providing a request for *inter partes* reexamination, as required by 37 CFR 1.915, without any inappropriate comments pertaining to the actions or inactions of the patent owner and comments on litigation. In other words, any and all inappropriate comments must be removed, or not

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included in the request. A redacted copy of the current request with any and all inappropriate comments may be filed. The requester should review the entire request for inappropriate comments prior to filing a response to the Office, and not limit the review to the specific pages mentioned as an example in the above discussion. The requester must ensure that the redacted or replacement request be limited solely to a discussion of prior art patent and publications that may raise a substantial new question of patentability and the requisite discussion necessary to comply with 37 CFR 1.915(b), or the proceeding will be terminated. Submissions notifying the Office of prior or concurrent proceedings in which the patent is or was involved, will be accepted only if the statements are limited to bare notice of the prior or concurrent proceedings, and made in a separate paper.

II. In order to obtain a filing date for the request papers, the requester must, within thirty (30) days of the mailing date of this decision, file a response to this decision which makes the request papers filing date compliant.

The response may be mailed to the Central Reexamination Unit (CRU), attn: "Box *Inter Partes* Reexam" at the USPTO address indicated below, or hand carried to the CRU at the address indicated below. It is strongly suggested that any response be followed up by a telephone call to the Central Reexamination Unit at (571) 272-7705, as soon as possible.

The requester has one opportunity to make the request papers filing date compliant. If the response to this decision fails to cure the defect(s) identified in this decision or adds a new defect, then processing of the request papers will be terminated, and the request papers will either be discarded or treated as a prior art citation under 37 CFR 1.501, at the Office's option.

If the request papers are made filing date compliant, the date of the receipt of the response will be the filing date of the reexamination proceeding.

THE MAY 15, 2007 PETITION AND JUNE 14, 2007 OPPOSITION

In view of the present vacatur of the filing date for the present proceeding, the May 15, 2007 patent owner petition and June 14, 2007 requester opposition petition papers are not ripe for consideration, and are held in abeyance. If third party requester timely files a response to the present decision, and the request papers are thereafter determined to be entitled to a new filing date, parties may call up the matter for decision. If third party requester does not timely and appropriately respond to the present decision, then the request papers and all other papers maintained therewith will be discarded/expunged by the Office without further consideration.

If a new filing date is assigned, the Office will take appropriate action on the May 15, 2007 patent owner petition in light of the June 14, 2007 third party requester opposition to that petition, only if the parties call up the matter for decision by renewing their respective petitions. If the petitions are not renewed, they will be deemed withdrawn and will not be acted upon.

ADVISORY DISCUSSION

Parties are advised that, in the event that the '178 *inter partes* reexamination is reinstated, or re-filed as a new proceeding, the proceeding will be conducted in the Office, in accordance with the reexamination statute, governing regulations and published examining procedures. The reexamination statute, governing regulations and published examining procedures do not encompass so-called "litigation tactics." The parties are expected to conduct themselves accordingly. For example, it is expected that submissions of papers that are not provided for in the regulations, and/or appear to be precluded by the regulation will either be filed with the appropriate petition to accept the paper and/or waive the regulations, or not filed at all. Patent owner and third party requester are both advised that multiple submissions, such as a reply to a paper opposing a petition and a sur-reply directed to such a reply are not provided for in the regulations or examining procedure governing *inter partes* reexamination. In summary, should the '178 *inter partes* reexamination proceeding be reinstated, it is expected that the parties will adhere to the provisions of 37 CFR 10.18(b) throughout the course of the proceeding.

CONCLUSION

1. The petition for suspension of the rules under 37 CFR 1.183 is granted such that the petition has been entered and considered on the merits.
2. The petition to vacate is granted.
3. The filing date of October 6, 2006, which was assigned to the request papers is vacated for failure to comply with the provisions of 35 U.S.C. §§ 301 and 311, and those of 37 CFR 1.915.
4. The December 26, 2006 order granting reexamination is vacated.
5. **In order to obtain a filing date for the request papers, the requester must, within thirty (30) days of the mailing date of this decision, file a response to this decision which remedies the defects set forth in this decision and makes the request papers compliant with the requirements of 35 U.S.C. §§ 301 and 311, and with 37 CFR 1.915.**
6. The requester is being provided with only one opportunity to make the request papers filing-date compliant. *If the response to this decision fails to cure the defects identified in this decision, or adds a new defect, processing of the request papers will be terminated, and the request papers will either be discarded or treated as a prior art citation under 37 CFR 1.501, at the Office's option. If the request papers are made filing date compliant, the date of the receipt of the response will be the filing date of the reexamination proceeding.*

Art Unit: 3992

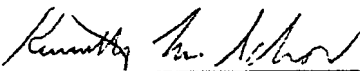
7. The May 15, 2007 patent owner petition and June 14, 2007 requester opposition petition papers are being held in abeyance. **If a filing date is assigned (after response to this decision by requester), the Office will take appropriate action on the May 15, 2007 patent owner petition in light of the June 14, 2007 third party requester opposition to that petition, only if the parties call up the matter for decision by renewing their respective petitions. If the petitions are not renewed, they will be deemed withdrawn and will not be acted upon. If a filing date is not assigned, then this petition and opposition are moot.**
8. Jurisdiction over the present *inter partes* reexamination request papers is being retained in the Office of Patent Legal Administration pending response to this decision, or the expiration of time to respond.
9. Any response to this decision should be directed to:

By Mail: Mail Stop "*Inter Partes* Reexam"
 Attn: Central Reexamination Unit
 Commissioner for Patents
 P. O. Box 1450
 Alexandria VA 22313-1450

By hand: Customer Service Window
 Attn: Central Reexamination Unit
 Randolph Building, Lobby Level
 401 Dulany Street
 Alexandria, VA 22314

It is strongly suggested that any such response be followed up by a telephone call to the Central Reexamination Unit at (571) 272-7705, as soon as possible, to ensure receipt and processing.

10. Telephone inquiries related to this decision should be directed to Jeanne Clark, at (571) 272-7714 or Mark Reinhart, Special Program Examiner, at (571) 272-1611, or in their absence, to Legal Advisors Pinchus M. Laufer at (571) 272-7726, Stephen Marcus at (571) 272-7743, or Cynthia Nessler at (571) 272-7724.



Kenneth M Schor
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner
for Patent Examination Policy

Aug. 10, 2007

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